

# STATE OF COLORADO

Bill Owens,  
Governor



## DRAFT 2006-2007 STRATEGIC ACTION PLAN



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# EXECUTIVE SUMMARY

Colorado, located in the Rocky Mountain West, is a state with many faces. While best known for its ski and outdoor sport industry, Colorado is home to many small farming and ranching communities, large urban areas and small towns that have a history rooted in mining. Colorado - or “colored red” in Spanish - has a landscape of Midwest plains, snow capped mountain peaks, and desert mesas. Encompassing 104,247 square miles, Colorado is the eighth largest state in the country. It is also the highest of the 50 states, with an average altitude of 6,800 feet.

The population of **Colorado**, which is estimated at 4,586,000 for July 1, 2003, is expected to increase 60,000 per year or grow at annual rates of 1.0% and 1.5% to reach 4,700,000 by (July 1,) 2005. For the ten year period thereafter, it is expected to grow at an average annual rate of 1.8%, and then gradually slow to 1.5% reaching 7,155,000 by 2030. **Growth** in the state above the national average of 1%, is primarily from growth in the Front Range and Western Slope, though after 2010, all parts of the state are expected to grow at or above the national average.<sup>1</sup>

Denver is the largest city in Colorado with an estimated population of 568,913 in 2004. The entire metro Denver area has a population of 2,592,441<sup>2</sup>. The metro area is home to high tech industry, three major colleges and universities, four major league sports teams and a thriving downtown area. Other major cities in Colorado include Aurora, Boulder, Fort Collins, Grand Junction, Greeley, Colorado Springs, and Pueblo.

Since suffering an economic downturn that began in 2001, Colorado is demonstrating signs of recovery. Important indicators such as employment, sales tax and consumer spending are beginning to show signs of recovery, although foreclosures and bankruptcy filings remain higher than in years past. Although population growth slowed dramatically during the recent recession, net in-migration remained positive. It is projected<sup>3</sup> that net in-migration for the years 2005-2009 will be 217,651 persons.

In 2005, job gains will continue and unemployment rate will edge down. Homebuilding is declining<sup>4</sup>. Colorado will continue to respond to the same influences as the national economy. High energy prices will help oil, gas and coal industries but hurt travel and tourism.<sup>5</sup> The State's advanced technology sector will be re-ignited by telecommunication industry's need for new, “value-added”

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1 State Demographer, Components of Population Change, 2004-2013

2 State Demographer, preliminary

3 DOLA, 2004

4 Colorado Economic Outlook, Center for Business and Economic Forecasting, May 12, 2005

5 Colorado's Economy and Budget, Office of State Planning and Budgeting, July 2005.,

electronics transaction capabilities. With the passage of Referendum C in 2005, the state government's budget picture should improve.

# **Housing and Community Development Needs**

## **Housing Needs**

Median incomes vary in Colorado depending upon which region of the state a household resides. The regions along Colorado's front range have a higher median income than those in other parts of the state. The median income of Colorado's metro areas in 2005 is \$67,850. The only part of the state that has a higher median income is Region 12, which includes most of the state's largest ski areas. The area with the lowest median income in 2005 is Region 14, which includes Huerfano and Las Animas Counties.

To better understand Colorado's incomes and housing conditions, DOH contracted with the Center for Business and Economic Forecasting to produce a document that examines rent burden, issues of homeownership and a demographic picture of these issues.

There are 1,310,326 owner households and 504,824 renter households in Colorado. Not surprisingly, owner households have a higher median income than renters. In 2005, the median owner income in Colorado is \$65,762 while the median renter income is \$34,402.

Analysis conducted by DOH demonstrates that in Colorado households making 30 percent or less of median renter income have few affordable rental units available to them. As incomes rise, the number of units affordable at those incomes also increases. At 60 percent of median renter income, there are 86.8 affordable rental units per 100 renter households in Colorado. There are more units affordable to renters at 60 – 80 percent of median income than there are units. Many of the households that earn 0 – 60 percent of median renter income are most likely living in these units.

Our analysis also shows that 77,855 households earning 30% or less of the Area Median Income (AMI) are paying more than half of their gross income for rent. Industry standards are that a household should pay no more than 30% of its income for rent. These households from 30% to 50% AMI are said to be cost burdened<sup>6</sup>. The Colorado Division of Housing is working with local governments, nonprofit housing and service organizations, and citizens to make available information that allows communities to identify issues and tailor solutions for their community housing needs.

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6 Division of Housing 2004

### ***Special Needs Housing***

Colorado's population is aging. The age group with the most dramatic change is those in the 55 – 75 age range – reflecting the aging of the “baby boomers”. While the elderly as a percent of the total population will not change dramatically, the total number of persons age 55 and older will increase by over 189,000 between 2005 and 2010. Almost 133,000 of these persons will be aged 55-64. The housing needs of this population will play an increasing role in our economy in years to come.

DOH continues to work to create housing opportunities for other special populations, including those with chronic mental illness, physical disabilities, developmental disabilities, alcohol and drug addiction, and HIV/AIDS. This population is generally unable to hold full time employment, has higher than normal medical expenses, and may require assistance with activities of daily living (ADL). Most significantly, these populations have limited income and may have a need for special accommodations.

### ***Homeless Needs***

The Bush Administration has targeted an end to chronic homelessness by the year 2010, and the Division of Housing is taking serious aim at this target. The State believes that chronic homelessness is a serious issue that must be solved through maximization of federal, state and local resources to create additional permanent housing opportunities for the chronically homeless population. This housing must be linked with supportive, mainstream, and community-based services that address the long-term needs and issues of chronically homeless individuals.

In metro Denver, there are 187 unsheltered, chronically homeless individuals; in Colorado Springs/El Paso County, 259, and in rural Colorado, as many as 873 persons. The Division of Housing has created a Tenant-Based Rental Assistance (TBRA) program for “working” homeless families coming out of shelters. Such assistance helps create a housing-first solution to free bottlenecks from the continuum of care. DOH is also using Community Development Block Grant funding (CDBG) for homeless services in the rural areas of the state, and targeting more of its Emergency Shelter Grant (ESG) money for shelters in the metro areas where chronic homelessness is more prevalent.

The 2004 Gaps Analysis, conducted by the three Colorado Continuums of Care and shown below, estimates that as many as 21,730 persons are homeless in the State of Colorado. The Division continues to work on intermittent or sporadic homelessness through its ESG resources.

## **Non-Housing Community Development Needs**

Since 1979, the state has compiled a listing of water and sewer needs, and most recently this compilation indicates a need of \$ 1,294,013,562 for sewer improvements and \$ 852,956,708 for water improvements.

Other needs identified for Colorado are services for an increasing elderly population, water resources, access to health care, parks, economic development, affordable child care, solid waste management, and services that address youth and violence.

## **Strategic Plan**

The Division of Housing used the information from the Affordable Housing Needs Impact Report, the needs section of this document, other housing market and special needs population data, consultations with other housing providers and input from our public process to develop eight housing strategies. The Colorado Division of Local Government (DLG) and the Governor's Office of Economic Development (OED) and International Trade developed the non-housing strategies for community and economic development through cooperation with staff from several other state departments, already completed strategic plans, and public hearing feedback. The following are the 11 goals adopted by the state. Section IV of this document lists the one-year actions proposed to undertake these strategies.

## **Priority Housing, Economic Development and Community Development Goals**

To preserve the supply of existing affordable housing rental stock.

To increase the supply of existing affordable rental stock to meet community needs.

To increase the capacity, stability, participation and independence of local housing and service providers and private enterprise so they are better able to meet the housing needs of their communities.

To increase homeownership and preserve existing properties for low- and moderate-income people and minorities.

To meet the need homeless shelter beds and supportive services that foster independence for homeless people.

To assist in creating an adequate supply of housing for persons with special needs coupled with appropriate services to increase independence.

To increase housing opportunities in revitalized neighborhoods and high land cost areas of Colorado.

To provide community at-large and policy-maker education and outreach about housing issues so that communities are better able to meet their housing needs.

To provide financial and technical assistance to businesses to create or retain jobs.

To help improve the leadership and governing capacities of Colorado communities.

To help Colorado communities identify, prioritize and address their capital improvements needs.

## **One Year Action Plan**

**HOME PROGRAM:** The estimated \$8,884,025 allocated to the State of Colorado for federal fiscal year 2006 will be distributed through a competitive application process, except for existing multi-jurisdictional single-family owner occupied rehabilitation programs which will receive funding in accordance with the State Single Family Owner Occupied Rehabilitation policy. Administration is expected to be 10%, \$888,402. Applications will be reviewed and considered on a continuous basis by the Division of Housing, Department of Local Affairs. The Division may end or defer consideration of housing proposals when funds available have been exhausted or when proposals are incomplete or premature.

The Department of Local Affairs intends to distribute HOME funds by considering both geographical and population needs. Funding decisions will include consideration of prior housing projects funded within the areas as well as quantified need level driven by population distribution, including the needs of special populations as identified in the State of Colorado's annually approved Consolidated Plan.

The State of Colorado will reserve fifteen percent of its allocation for community housing development organizations (CHDOs). The amount available for CHDOS will be \$ 1,332,603. The CHDO funds will also be distributed through a competitive process on a continuous basis.

**AMERICAN DREAM DOWNPAYMENT INITIATIVE FUNDS (ADDI):** The Colorado Division of Housing will include American Dream Downpayment Initiative funds in our regular application process, with local governments, housing authorities and nonprofit organizations as eligible subgrantees. These ADDI funds, estimated to be \$362,057, will assist eligible first-time low-income and minority households and will become an alternative source for downpayment, closing costs and/or rehabilitation assistance. The amount of ADDI assistance provided will not exceed \$10,000 or four and a half (4 ½)



percent of the FHA mortgage limit of the home, whichever is greater. Rehabilitation projects will be required to be completed within one year of the home purchase and may include, but not be limited to, the reduction of lead paint hazards and the remediation of other home health hazards. The Division of Housing in awarding ADDI funds will comply with all program requirements, including targeting residents of public housing authorities.

#### **TENANT-BASED RENTAL ASSISTANCE PROGRAM (TBRA)**

The Department of Local Affairs, Division of Housing, will accept applications for operating a tenant-based rental assistance program from a public housing authority or any other entity with the capacity to operate a rental assistance program within their community or region. Home-eligible communities can apply for Tenant Based Rental Assistance. DOH will offer tenant-based rental assistance for the next two years to address special needs populations. This TBRA will target people, with incomes at or below 30% AMI.. Each of the participating households will be required to access social services provided by local service providers.

TBRA is considered to be an essential part of our approved housing strategy for 2006. Each TBRA application will be judged by its impact on addressing a community's affordable housing needs, but specific consideration will be given to weighing the TBRA method of assistance with less costly housing alternatives.

**EMERGENCY SHELTER GRANT PROGRAM (ESG):** The Colorado Division of Housing will employ four strategies in the 2006 Federal Fiscal Year in its allocation of \$1,018,213 in ESG funds. HUD has identified as a national priority the elimination of chronic homelessness. Colorado is taking serious aim at this target. Given the limited funding available, DOH intends to supplement with CDBG funds (2006 only), the homeless grant needs in *non-entitlement* areas, allowing us to expand homeless efforts in *entitlements*. Priority will be given to projects that are consistent with the following strategies:

- In order to develop a comprehensive approach to the provision of emergency shelter and delivery of services for the homeless, the first program priority is to ensure that applicant agencies are leveraging all resources, including local, state, federal and private funding in the operation of a shelter and/or the delivery of related prevention and essential services.
- The second strategy is to ensure that applicants make a significant contribution to the elimination of homelessness and that these efforts are documented.
- The third strategy is to encourage programs to use a coordinated case management approach to service delivery. Programs utilizing strong case management approaches that ensure the delivery of essential services along the continuum of care will receive priority consideration for funding.

- The fourth strategy is to encourage homeless prevention through funding of programs that provide well thought out approaches to homelessness prevention.

For non-metropolitan Denver, the State will mail ESG application kits to previously funded local governments and nonprofit organizations. Upon request, we will mail application kits to other rural homeless providers for funding consideration. In '06, DOH will fund some rural area homeless services with CDBG dollars rather than ESG dollars, and use the standard ESG application as the basis for analysis of the criteria below. DOH will then determine which rural providers will receive ESG funding and which CDBG funding.

ESG dollars freed in rural areas will then be available to fund additional shelter projects in metro Denver: Adams, Arapahoe, Broomfield, Boulder, Denver, Douglas and Jefferson Counties. For the Metro Denver area in 2006, the Division will mail ESG application kits to previously funded nonprofit organizations and use an RFP process to solicit proposals from new homeless shelters. DOH will then utilize a committee to assist in the selection of ESG projects.

Additionally, up to \$40,000 in ESG funding may be awarded by the Executive Director of the Department of Local Affairs on a discretionary basis. All applicants must prioritize the activities for which they are requesting funding and are encouraged to develop programs that address supportive service needs and homelessness prevention in addition to covering basic operating expenses. Internal analysis will judge how well proposed projects meet evaluation criteria.

The problem of homelessness is a complex one that requires a variety of services and shelter facilities. All agencies funded by DOH using ESG dollars are required to participate in the state's Homeless Management Information System (HMIS). Program applicants are encouraged to develop programs that address supportive service needs and homelessness prevention in addition to covering basic operating expenses. Applicants will be required to prioritize the activities for which they will be requesting funds.

#### **"Small Cities" Community Development Block Grant Programs**

It is anticipated the state will be receiving \$12,428,946 in FFY 2006 CDBG funds. From that amount DOLA will allocate the amount statutorily allowed for administration (2% +\$100,000) and 1% for technical assistance, and the remaining balance will be divided one-third each for economic development, housing, and public facilities activities.

Public facilities and community development proposals may be considered by the Department on a continuous basis, or during specified application periods in conjunction with funding cycles established for the State Mineral and Energy Impact Assistance program. Application opportunities will be announced to local government associations and to regional organizations providing technical

assistance to local governments. Applicants will be expected to prioritize all applications.

All applications will be evaluated by Departmental staff on the following three major factors: project impact, public and private commitments, and management capability. The result of the staff review will be forwarded to the Executive Director who may choose to consult with the Impact Advisory Committee, the State Housing Board, or other advisory groups about the proposal. Proposals for the continuation of existing housing rehabilitation/replacement projects will not be reviewed individually by an advisory body as long as acceptable performance is maintained. The Executive Director will consider staff reviews and any advisory committee recommendations and make the final funding decisions based on the project review factors. Not less than seventy percent (70%) of funds received by the State during the period of Federal Fiscal Years 2005, 2006 and 2007 will be used for project activities that benefit low and moderate-income persons.

Housing proposals will continue to be received and considered on a continuous basis by the Division of Housing using the system outlined in the HOME program narrative. The Department may end or defer consideration of housing proposals when funds available have been exhausted and when proposals are incomplete or premature.

Business development proposals involving the provision of financing for private for-profit and nonprofit businesses will be received and considered on a continuous basis by the Governor's Office of Economic Development and International Trade. Proposals will be evaluated by staff using the same three major factors as noted above for housing, public facilities and community development proposals, and other appropriate considerations. A State Financial Review committee will review economic development proposals and make final funding decisions.

#### **Housing Opportunities For People With Aids (HOPWA) Formula Program**

In 2006, the Colorado Division of Housing will receive approximately \$350,000 in HOPWA entitlement funding from HUD. The Division will work with a consortium of four Colorado Aids Project (CAP) agencies to distribute assistance for persons living with HIV/AIDS. These funds may be used to acquire housing units within the entitlement area, to provide tenant-based rental assistance, emergency assistance, and/or provide housing coordination services and supportive services to persons living with HIV/AIDS and their families.

# SPECIFIC PROGRAM DESCRIPTIONS

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## Home Investment Partnership Program

### I. FUND DISTRIBUTION

It is estimated that at least \$8,884,025 will be allocated to the State of Colorado for federal fiscal year 2006. Administration is expected to be 10%, \$888,402. Should the Division of Housing receive either more funding or less funding than this figure, these funds will be distributed through the same methodology as follows. The Division will utilize a competitive application process except for existing multi-jurisdictional single-family owner occupied rehabilitation programs that will receive funding in accordance with the State Single Family Owner Occupied Rehabilitation Policy. Applications will be reviewed and considered on a continuous basis by the Division of Housing, Department of Local Affairs. The Division may end or defer consideration of housing proposals when funds available have been exhausted or when proposals are incomplete or premature.

Applications for HOME should reflect local needs as well as be consistent with the State of Colorado's annually approved Consolidated Plan. The Division has also developed a set of tools to analyze applications and guide potential applicants. These tools are the **Cost and Effectiveness Rating Instrument (CERI)** and the **Funding Gap Analysis Spreadsheet**. DOH staff also reviews applications to ensure that proposals meet the federal requirements for each program, including the HOME program.

CERI and the Funding Gap Analysis Spreadsheet are used by the DOH staff and the State Housing Board to evaluate the relative merits of funding applications. Two separate assessments are made to determine the Division of Housing's Cost Effectiveness Rating. The sum of these two assessments, the cost of housing a person and the type of housing being developed, measures the cost and the effectiveness of each development. The Division's development staff will use the following procedures on rental and homeowner projects with single sites.

### ***Colorado Division of Housing's Cost Effectiveness Rating***

Each of the following scales is completed to determine the cost effectiveness rating for a particular project.

#### **Step One: Cost Per Person Housed**

By completing the development cost page of our Housing Development Analysis Spreadsheet, DOH uses the total development expense to calculate the cost per person housed. The total development expense is divided by the estimated number of people housed in the proposed development. The total number of people housed in the development is determined by multiplying the total number of bedrooms by 1.5 people for family and one for efficiencies and Single Room Occupancy (SRO). This number per bedroom is based on the California Affordable Housing Cost Task Force Policy Report, 1993. The cost per person is the result of this calculation. The following is an example:

The total number of bedrooms for this example is 180. Since this is a family rental, the number of bedrooms (180) is multiplied by 1.5 persons per bedroom. If this example included efficiencies, SROs, or only seniors, the person per bedroom could be adjusted to one person per bedroom.

$180 \text{ bedrooms} \times 1.5 \text{ persons per bedroom} = 270 \text{ persons}$

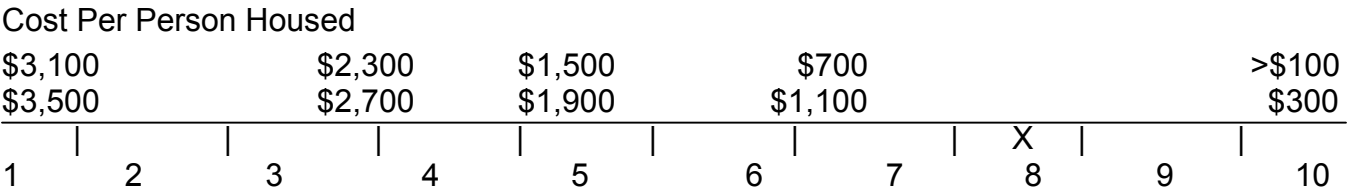
The total development expense for this project is \$4,870,000. This number is divided by the number of persons housed by the development.

$\$4,870,000 / 270 = \$18,037$

The answer, \$18,037 is the amount of development expense required to house one person. To accurately measure the total impact, the per-person cost is divided by the affordability period. In this example, the affordability period is 30 years.

$\$18,037 / 30 = \$601 \text{ per year}$

How does this cost compare to other developments financed by the Division? It is estimated that the average per unit cost of a two-bedroom apartment financed by the Division is \$70,000. To draw this comparison, a scale is used which gives a range of the construction cost per person housed. This range is \$35,000 to \$11,667. These costs are divided by the minimum 10 years and the maximum 50 years for affordability to determine the following scale.



A numerical value of 8 would be given to this result. This value is marked by the X.

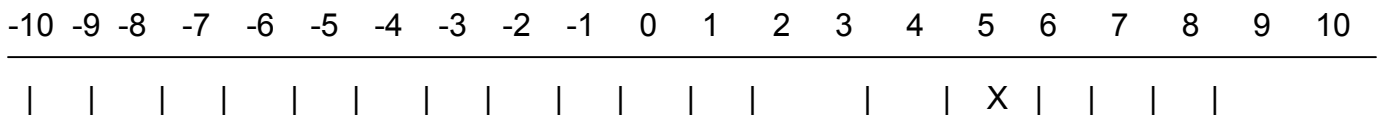
**Step Two: Externalities**

An assessment is made of a proposed housing development’s effectiveness as a place to live. Ten factors are used to measure a housing development’s social, environmental, and personal impact on individual residents or the community in general. The Division of Housing uses a list of ten externalities to make this determination.

*The Externalities Matrix*

<b>Externalities Matrix - Each external factor below should be scored positively or negatively based on the measure indicated.</b>	<b>+1</b>	<b>-1</b>
1. Project Impact/Need - The project meets an affordable housing need evidenced by market data.		
2. Public/Private Commitment - The project has local government or community financial support.		
3. Management Capability - The project developer has the capability of completing the project in a timely and satisfactory manner.		
4. Consistency With Local Land Use Plans - Utilities, infrastructure, transportation and public services are available to the project without undue hardship or excessive cost.		
5. Environmental Impact - The project will not have a detrimental impact on air quality, water quality, noise levels, view corridors or other locally determined areas of environmental concern.		
6. Social Impact - The project will not have a detrimental social impact on the community or the residents.		
7. Special Needs Population - Households residing in the project include persons with physical or mental disabilities or independent or assisted housing for seniors.		
8. High Growth Area - Counties with a greater than average growth in population or housing cost over the last two years.		
9. Preservation of Existing Affordable Housing - The project would acquire and/or rehabilitate existing affordable rental housing.		
10. Serving Persons With Extremely Low Incomes - The project would provide at least 5% of their rental units to persons with incomes below 30% AMI.		

Each factor receives either a +1 or a -1 in scoring each externality. The total score is then compared to the following range:



### Step Three: Rent Savings

The DOH Rent Savings Rating, return on investment, compares the amount of DOH investment in a project to household rent savings. The rent savings is the amount of household income saved by a family or individual who is paying a subsidized rent compared to a market rent. The difference between subsidized rents and market rents can vary widely in Colorado.

The Division's development staff will use the following procedures for rating the rent savings of each rental project, for new construction and rehabilitation.

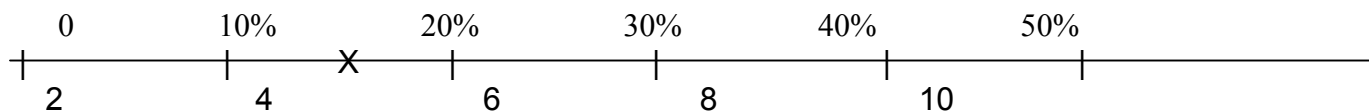
1. DOH development staff will complete the attached Rent Savings matrix for each proposed rental project. The "Market Rents" section will list the market rents for the entire project by bedroom size. The sources for market rents include: The DOH Multifamily Vacancy & Rental Survey, the Denver Metro Apartment Vacancy & Rent Survey, current market area appraisals, and in the absence of any market data, other comparable rent sources. The "Proposed Rents" section will list the market and affordable rents developers are proposing to charge households. The difference between the total of Market and Proposed Rents will be listed as Annual Rent Savings for each household.
2. The DOH development staff will enter the requested DOH subsidy amount. This will be used to calculate the per unit subsidy amount for rent restricted units and the return on investment shown as a percentage of the savings per unit and the DOH subsidy per unit. The following examples show that the DOH return on investment is 20%.

#### Rent Savings Worksheet

Market Rents				Proposed Rents			
	Rents	#-units	Total Rent		Rents	# units	Total Rent
OBR		0	0	OBR	0	0	0
1BR	543	14	7602				0
2BR			0				0
3BR			0	1BR	250	6	1500
4BR	0	0	0		350	6	2100
	Total MKT rent		\$7,602		400	2	800
				2BR	0	0	0
					0	0	0
					0	0	0
Monthly Rent Savings:		\$3,202		3BR	0	0	0
Annual Rent Savings:		\$38,424			0	0	0
Total Units		14					0
Annual Savings/unit:		\$2,745		4BR			0
DOH Subsidy:		195000					0
DOH Subsidy/unit		13928.5714					0
				Total Proposed rent			\$4,400
*Sav per unit/DOH sub per unit:			20%				

\*The Return On Investment (savings per unit/DOH subsidy per unit) in this example is calculated by dividing the Annual Rent savings per unit, \$2,745, by the DOH Subsidy per unit, \$13,928.

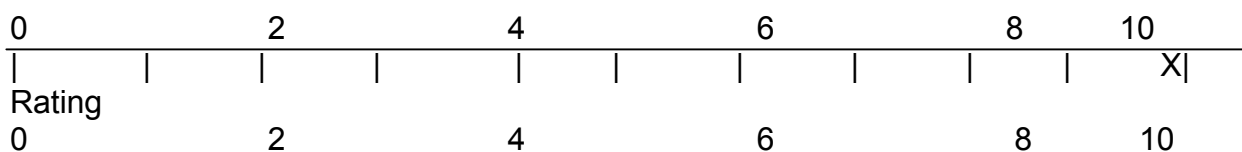
### Return On Investment from Rent Savings



### Step Four: Leveraging

The Division uses its funding to fill a financing gap for affordable housing developments. By filling this gap with either a loan or grant, the Division forms partnerships with other financing sources to complete the financial feasibility of a development. By sharing the risk with other funding partners, the Division leverages its resources with private and public investors. The leveraging ratio is created to show the amount of funds from other sources the Division is able to match or secure by its investment. This “leveraging ratio” is measured on a ten-point scale. One point is given for each dollar leveraged, up to a maximum of 10 to 1. For developments able to leverage more than \$10 for every \$1 DOH, the scale is limited to a maximum score of 10. In the example, the Division invests \$200,000 and leverages an additional \$4.6 million. This scores 10 on our leveraging scale.

### Amount Leverage



### Step Five

Cost Effectiveness Composite Score (This score is the total of all four of the above factors).

### ***The Colorado Divisions of Housing’s Gaps Analysis Spreadsheet***

The second tool used by DOH staff is the **gaps analysis spreadsheet**. The spreadsheet is used to analyze project development cost, income and expense. This analysis results in a determination of how much debt a project can reasonably service, and the amount of gap funding required for the project to proceed. The gap in funding is filled through a variety of sources, including funds administered by DOH.

The combination of these two tools allows the State Housing Board (SHB) to target limited resources to the housing activities with the highest need in an individual community. As well, the amount of subsidy required can be accurately determined. Development staff can also provide community-housing developers with specific guidance regarding project development. This allows development staff to work in the planning stages, guiding and modifying projects before they go before the SHB.

Early in the process, DOH staff provides feedback to developers regarding the appropriateness of development concepts. This timely intervention is necessary because



developers must incur predevelopment expenses (sometimes in excess of \$100,000) before a project can be brought before the SHB. Developers are discouraged from submitting requests that do not meet DOH priorities. While staff works with developers to modify projects to meet DOH standards, only projects that meet the priority target populations are cultivated.

The results of the staff review are forwarded to the Executive Director of the Department of Local Affairs, and brought to the Colorado State Housing Board, an advisory board. The consultation with the board is usually at a regularly scheduled monthly hearing, but also may be by telephone or mail. The Department Executive Director considers staff reviews and any advisory committee recommendations and makes the final funding decisions based on the project review factors.

In making funding decisions as well as decisions on proposed modifications to funded projects, the Department Executive Director may specify alternatives or changes as he deems necessary or appropriate, consistent with the project review factors. Alternatives and changes specified may include, but are not necessarily limited to: providing more or less funding than requested, proposed, or recommended; adjusting project budget line items; providing funds for only selected activities within an overall project; making a single award to two or more separate applicants so that projects can be undertaken on a multi-jurisdictional basis; changing terms, uses, and conditions; and permitting projects to be amended to include additional, fewer, or different project activities.

**DIRECT ADMINISTRATION:** The Department of Local Affairs may choose to administer HOME funds directly if it determines that a specific project would benefit from such administration.

**GEOGRAPHIC FUND DISTRIBUTION:** The Department of Local Affairs intends to distribute HOME funds by considering both geographic and population needs. Funding decisions will include consideration of prior housing projects funded within the area as well as quantified need level driven by population distribution including the needs of special populations as identified in the State of Colorado's annually approved Consolidated Plan. Projects that occur in high growth areas are considered to be high priority projects.

## **II. COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS**

The State of Colorado will reserve fifteen percent of its allocation for community housing development organizations (CHDOs). The amount available for CHDOs is expected to be up to \$1,332,603. The CHDO funds will also be distributed through a competitive process on a continuous basis.

The Division of Housing will identify CHDOs in the state through a two-fold process. A questionnaire which will enable potential and existing CHDOs to determine if they are eligible as CHDOs will be sent to nonprofits and housing providers throughout the state upon request. At the same time, the housing development staff of the Division of Housing will continue to work to identify potential CHDOs in their specific geographic areas. Applicants and/or their sub-grantees applying through the competitive process for HOME funds will also be screened to identify any existing or potential CHDOs.

It is anticipated that the types of activities to be undertaken by CHDOs will be acquisition, rehabilitation, homebuyer programs, and new construction. It is also anticipated that some CHDOs may be interested in applying for the project specific technical assistance loans.

### **III. OTHER FORMS OF INVESTMENT**

The Division of Housing does not provide any forms of investment to projects other than those described in 92.205(b) of the HOME regulations.

### **IV. REFINANCING**

HOME funds may be used to refinance existing debt on an eligible single-family, owner-occupied property when HOME funds are used to rehabilitate the unit, if the overall housing costs for the owner will be reduced and the housing made more affordable.

HOME funds may also be used to refinance existing debt on multifamily rehabilitation, or new construction projects if refinancing is necessary to permit continued long-term affordability and is consistent with the state established guidelines. To qualify, the proposed project must meet one of the following criteria:

- ❖ Rehabilitation is the primary eligible activity. This means that the amount of HOME funds being used for rehabilitation must be equal to or in excess of the amount of HOME funds being used to refinance existing debt on the property. At a minimum, the ratio of rehabilitation costs to refinancing costs must be 1 to 1, or a minimum rehabilitation cost of \$5,000 per unit;
- ❖ A review of management practices should demonstrate that disinvestment in the property has not occurred, that the long-term needs of the project can be met, and that it is feasible to serve the targeted population over the proposed affordability period;
- ❖ The application must state whether the new investment is being made to maintain current affordable units, create additional affordable units, or both;
- ❖ The required period of affordability will be a minimum of 30 years;
- ❖ The state will accept applications for refinancing statewide; and,
- ❖ HOME funds will not be used to refinance multifamily loans made or insured by any Federal program, including CDBG unless additional affordable units will be income-restricted to low income household or the affordability period is being extended.

### **V. COSTS RELATED TO PAYMENT OF LOANS**

If the HOME funds are not used to directly pay a cost specified in this section, but are used to pay off a construction loan, bridge financing loan, guaranteed or insured loan, the payment of principal and interest for such loan is an eligible cost only if:

- (1) The loan was used for eligible costs specified in this section, and
- (2) The HOME assistance is part of the original financing for the project and the project meets the requirements of this part.

## **VI. ADMINISTRATION AND PLANNING COSTS**

The Department of Local Affairs, Division of Housing may expend for its HOME administrative and planning costs ten percent (10%) of the HOME allocation.

## **VII. HOMEBUYERS PROGRAM**

The Department of Local Affairs, Division of Housing, will accept applications for homebuyer programs if they meet the guidelines for resale or recapture as required in 24 CFR 92.254. Homebuyer program guidelines must meet the following federally required qualifications.

### ***Qualify as affordable:***

- ❖ If purchased with or without rehabilitation, the initial purchase price does not exceed 95% of the median purchase price for the type of single-family housing (1 to 4-family residence, condominium unit, cooperative unit, combination manufactured home and lot, or manufactured home lot) for the area as determined by HUD; and has an estimated appraisal value at acquisition, if standard, or after any repair needed to meet property standards in 92.251, that does not exceed 95% of the median purchase price for similar type of single-family housing.
- ❖ It must be the principal residence of the owner whose family income qualifies (equal to or less than 80% of area median family income) at the time of purchase;
- ❖ Is purchased within 36 months if a lease-purchase agreement in conjunction with a homebuyer program is used to acquire the housing;
- ❖ Meets the federally required resale restrictions or the federally required minimum affordability periods. However, the state will seek to maximize the affordability period for homeowner and rental properties. To maximize affordability periods we have established a threshold of thirty (30) years, but will make every effort to extend this period to 40 years and beyond.

## **STATE GUIDELINES FOR HOMEBUYER PROGRAMS**

The State will assure that any homebuyer program capitalized with HOME funds will meet the following requirements for the properties and prospective homeowners to participate in this activity.

**ELIGIBLE ACTIVITIES:** HOME funds may be used for acquisition or for the acquisition and rehab of homes for homebuyers whose incomes are equal to or less than 80% of area median income.

**ELIGIBLE PROPERTY-OWNER:** The prospective purchasing household must meet two key federally required eligibility criteria in order to participate.

- 1) Must have a gross income that does not exceed eighty percent (80%) of the area median income. The purchasing household must be low income at the time of the household initially occupies the property, or at the time the HOME funds are invested, whichever is later. Verification of income eligibility is good for a period of six months.

2) Must occupy the property as a principal residence. The deed and the loan documents (Promissory Note) between the buyer and seller should incorporate this requirement and the requirement that subleases are only allowed with written approval by the State.

A third criterion has been added by the state. This criterion limits homebuyer assistance to households with incomes between 60% and 80%. This criterion reflects the minimum income required by homeownership to initially purchase and maintain a home. Homeowners participating in a self-help housing program may have incomes less than 60% AMI.

**ELIGIBLE PROPERTY TYPES.** Property that is eligible to be used in a homebuyer program is not restricted to federal properties or to other publicly held properties. The property can be PRIVATELY or PUBLICLY held prior to sale to the homebuyer. The property can be an existing property or newly constructed. Any property which will serve as the purchaser's principal residence, including:

- A single family property (one unit);
- A two to four unit property;
- A condominium unit;
- A manufactured home and lot;
- A manufactured home lot; and,
- A cooperative unit.

**FORMS OF OWNERSHIP.** For purposes of the HOME program, homeownership means ownership in fee simple title, or a 99 year leasehold interest in a one to four unit dwelling or in a condominium unit, or ownership or membership in a cooperative or mutual housing project if recognized by state law as homeownership. The ownership interest may be subject only to the following:

- Mortgages, deeds of trust or other debt instruments approved by the State; and,
- Any other encumbrances or restrictions that do not impair the marketability of the ownership interest, other than the HOME program restrictions on resale.

**PROPERTY STANDARDS.** Before property transfer, the house must be inspected for health and safety defects. The prospective purchaser must be notified of the work needed to cure defects and the time frame which it will take to complete the repairs.

**Acquisition Only** -- Property must meet local housing standards or codes at the time of initial occupancy. If no standards exist, Section 8 Housing Quality Standards (HQS) must be met.

**Acquisition and Rehabilitation** -- where rehabilitation to the property is needed. The property must be free from any defects that pose a danger to the health or safety of occupants before occupancy and not later than 6 months after property transfer. Within 2 years of property transfer to the homebuyer, the property must meet all applicable local codes, rehabilitation standards, ordinances and zoning ordinances at the time of project completion.

All construction projects (rehabilitation and new construction) assisted with HOME funds must meet local codes, rehabilitation standards, ordinances and zoning ordinances. In the absence of local requirements, projects must meet the following:

- ❖ One of three model codes--Uniform Building Code (ICBO); National Building Code (BOCA); Standard Building Code (SBCC)
- ❖ Council of American Building Officials One to Two Family Code (CABO);
- ❖ Minimum Property Standards (MPS) in 24 CFR 200.925 or 200.926.

**New construction** -- Newly constructed housing must meet the Model Energy Code published by the Council of American Building Officials.

HOME-assisted construction must meet the accessibility standards of the Fair Housing and Section 504.

**PROPERTY VALUE (AT TIME OF PURCHASE).** The initial purchase price that does not exceed 95% of the median purchase price for the type of single-family housing for that type of housing. The state may establish the area median value by using the Section 203(b) limits or the state may establish the value through a community-wide market analysis. The value may be established by an appraisal by a qualified appraiser or qualified staff of a HOME program administrator.

**INCOME QUALIFICATION AND AFFORDABILITY.** There are NO federal requirements that the homebuyer remain low income after purchase of the unit. There is NO federal requirement that determines a minimum or maximum amount for the monthly housing costs (PITI) or, that the homeowner's PITI remain affordable to the homebuyer. However, the state does use a maximum household income of 80% and a minimum household income of 60% for initial eligibility, unless the purchaser is a self-help program participant below 60% AMI.

**RESALE RESTRICTIONS OR RECAPTURE PROVISIONS.** In accordance with the HOME Program requirements the State will accept either the resale restriction or the recapture provision for maintaining the affordability of housing in Homebuyer Program Policies submitted in applications requesting HOME funding. The restrictions and recapture provisions are the following:

### **OPTION ONE -- Create Another Affordable Unit by recapturing the HOME Investment**

The property may be sold during the affordability period with full or partial repayment of the HOME assistance. Recaptured funds must be used for more HOME eligible activity.

- ❖ Recapture entire amount - require the entire investment to be repaid.
- ❖ Reduction during affordability period - the investment amount to be recaptured may be reduced on a pro rata basis for the time the homeowner has owned and occupied the housing measured against the affordability period.
- ❖ Shared net proceeds - If the entire amount cannot be recaptured plus enable the owner to recoup their down-payment and capital investments in the property, the proceeds may be shared based on the following formula.

*HOME investment:*

HOME investment + Homeowner investment / Net Proceeds = % of HOME \$ to be recaptured

*Homeowner investment:*

HOME investment + Homeowner investment / Net Proceeds = % of Amount to homeowner

HOME funds subject to recapture include any development subsidy or direct assistance to the homebuyer that reduced the purchase price from fair market value to an affordable price, or any down payment or subordinate financing provided on behalf of the purchase.

### **OPTION TWO -- Sell the Existing Property to a Subsequent Low-income Purchaser**

- ❖ The subsequent purchaser must be a low-income family (80% or less of area median income) that will use the property as its principal residence.
- ❖ The sale of the property to the new low-income family must be at a price which allows for: "fair return on investment, including any improvements" to the seller (the former homebuyer).

AND ALSO,

- ❖ The property must be affordable to a reasonable range of low-income purchasers.
- ❖ Housing may be presumed to meet all of the resale requirements (i.e., fair return, affordable, and that the subsequent buyer is low income) during the period of affordability without enforcement mechanisms if this presumption is supported by a local market analysis.
- ❖ The market analysis of the neighborhood must indicate that the housing is and will continue to be available and affordable to a reasonable range of low-income families.

**AFFORDABILITY PERIOD RESTRICTIONS** on sale of the property are waived if the homeowner defaults on the first mortgage and foreclosure proceedings are initiated. However, the affordability restrictions are revived if, during the original affordability period, the owner retains ownership of the property.

The amount of development subsidy required to produce the unit in excess of the fair market value is not subject to recapture. If the HOME subsidy is only used for the development subsidy in excess of the fair market value, the Option Two, the resale option, must be used.

Whether Option One or Two is used -- after the required affordability period based on the amount of HOME assistance ends -- the property may be sold at any price to any new homebuyer, without any consideration of the purchaser's income.

**FORMS OF SUBSIDY:** HOME funds may be used for down payment and closing cost assistance, interest subsidies, direct loans, or grants for acquisition, rehabilitation of existing units and/or construction of new units. The program may use one or more of the above forms of subsidy.

If the HOME funded subsidy is:

- ❖ down payment and/or closing cost assistance, it must be in the form of a secured debt, such as a deferred loan to help enforce the principal residency and resale provisions;
- ❖ an interest subsidy paid directly to the first mortgage lender in order to reduce the interest rate on the loan, there must be a provision that a proportionate refund will be provided to the State or its state recipient or sub-recipient if the private loan is prepaid before the loan maturity date;

The American Dream Downpayment Initiative funding for is expected to be funding of \$473,715. It will be offered to all eligible down payment assistance programs in the State. Funds will be used by nonprofit down payment assistance programs as a first-time home-buyer program.

**AMERICAN DREAM DOWNPAYMENT INITIATIVE FUNDS:** The Colorado Division of Housing will include American Dream Downpayment Initiative (ADDI) funds of \$362,047 in our regular application process, with local governments, housing authorities and nonprofit organizations designated as eligible subgrantees. These funds will assist eligible first-time low-income and minority households, and will become an alternative source for down payment, closing costs and/or rehabilitation assistance. The amount of ADDI assistance provided will not exceed \$10,000 or four and a half (4 ½) percent of the FHA mortgage limit of the home, whichever is greater. Rehabilitation will be required to be completed within one year of the home purchase, and may include, but not be limited to, the reduction of lead paint hazards and the remediation of other home health hazards.

**TARGETING PUBLIC HOUSING AUTHORITY RESIDENTS WITH ADDI FUNDS:** DOH will target residents of Public Housing Authorities and manufactured housing by (1) providing information about ADDI during Public Housing Authority Directors Meetings; (2) announcing the availability of ADDI funds at the Colorado Chapter of National Association of Housing and Redevelopment Officials Annual Conference; (3) adding material about ADDI to our Application Workshops which are conducted across the state several times during the year; (4) providing information on the DOH website; and (5) providing the information to the Manufactured Housing Association of Colorado.

**ELIGIBILITY:** To be eligible for ADDI assistance, individuals will be first-time homebuyers interested in purchasing single-family housing. A first-time homebuyer is defined as an

individual and his or her spouse who have not owned a home during the three-year period prior to the purchase of a home with ADDI assistance. ADDI funds may be used to purchase one- to four- family housing, condominium unit, cooperative unit, or manufactured housing. Additionally, individuals who qualify for ADDI assistance will have incomes not exceeding 80% of area median income.

**UNDERTAKING AND MAINTAINING HOMEOWNERSHIP:** Subgrantees will be required to provide or arrange for homebuyer counseling that will enable clients to understand and maintain homeownership.

## **VIII. TENANT-BASED RENTAL ASSISTANCE PROGRAM (TBRA)**

The Department of Local Affairs, Division of Housing, will accept applications for operating a tenant-based rental assistance program from a public housing authority or any other entity with the capacity to operate a rental assistance program within their community or region. Home-eligible communities can apply for tenant-based rental assistance. DOH will offer tenant-based rental assistance for the next two years to address special needs populations

- . This TBRA will target those with incomes at or below 30% AMI
- . Each of the participating households will be required to access social services provided by their county of residence.

TBRA is considered to be an essential part of our approved housing strategy for 2006. Each TBRA application will be judged by its impact on addressing a community's affordable housing needs, but specific consideration will be given to weighing the TBRA method of assistance with less costly housing alternatives.

Applications will be evaluated based on the following factors:

1. The immediacy of the need for TBRA:

- ❖ Displacement caused by natural disaster, job loss, domestic violence, or other emergency family situations.
- ❖ Program responds to local market conditions  
(In 2005-2006, there is a glut of units, but they are not affordable to renters without assistance).
- ❖ A strategy for developing additional permanent rental housing supply.
- ❖ A minimum financial contribution by the tenants.
- ❖ The projected rents are consistent with local market conditions.



## 2. Program design factors:

- Must specify the local market conditions that led to the choice of this option;
- May select families in accordance with written tenant selection policies and criteria that are consistent with the purposes of providing housing to extremely low, low or moderate income families and are reasonably related to preference rules established under section 6(c)(4)(A) of the Housing Act of 1937.
- May select eligible families currently residing in units that are designated for rehabilitation or acquisition with HOME funds without requiring that the family meet the written tenant selection policies and criteria. Families so selected may use the tenant-based assistance in the rehabilitated or acquired unit or in other qualified housing. These families must be required to use the tenant-based assistance within Colorado.
- May select eligible families currently residing in rental units that are designated for rehabilitation using HOME program funds without requiring that the family be placed on the PHA's Section 8 waiting list;
- Specify if the contract for assistance will be paid to the landlord or directly to the assisted family;
- Specify the length of time the assistance will be provided. The term of assistance may not exceed 24 months but may be renewed, subject to the availability of additional HOME funds and the required HOME match of twenty-five percent (25%) non-federal monies.
- May use HOME funds to provide loans or grants to eligible extremely low, low, or moderate-income families for security deposits as delineated in 24 CFR 92.210.
- Certify that in operating the program they will adhere to additional requirements as delineated in 24 CFR 92.211;
- Certify that the tenant will not pay more than thirty percent (30%) of his/her adjusted income for rent;
- Certify that the rent of the unit is reasonable as compared to rent charged for comparable unassisted units in the same area;
- Certify that housing occupied by a family receiving tenant-based assistance under the HOME program must meet Section 8 Housing Quality Standards; and,
- Certify that the amount of monthly assistance may not exceed the difference between 30% of the tenant's adjusted monthly income and the Section 8 Existing Fair Market Rent for the area, after adjustments for bedroom size.
- No project-based subsidy.

## **IX. AFFIRMATIVE MARKETING PROCEDURES AND REQUIREMENTS**

The Department of Local Affairs, Division of Housing, will adopt the affirmative marketing procedures outlined below for HOME-assisted housing containing five (5) or more housing units and will require adoption by all grantees of affirmative marketing plans specific to local conditions. The procedures may include:

- ❖ Methods for informing the public, owners and potential tenants about Federal Fair Housing laws and the grantee's affirmative marketing policy. Suggested methods may include use of the Equal Housing Opportunity logotype or slogan in press releases and in solicitations for owners, distribution of the policy to media and interested public groups, and written communications to fair housing and other groups. Another method would be the display of the fair housing poster.
- ❖ Requirements and practices each owner will utilize in carrying out the affirmative marketing policy. Grantees may require owners to advertise vacant units in newspapers of general circulation and minority media if available, to display the Equal Housing Opportunity logo or fair housing poster in rental offices, and/or to notify the PHA of vacant units.
- ❖ Procedures to be used by owners to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing without special outreach. Special outreach may be undertaken, at the grantee's option, by individual owners or by the grantee on behalf of all owners. Special outreach may be accomplished through the following methods:
- ❖ Newspaper announcements in general circulation newspapers and/or ethnic, neighborhood, community, or school newspapers;
- ❖ Announcements in church or school bulletins, posters, or oral presentations to community organizations; and,
- ❖ Posters publicizing the program placed in grocery stores, job center sites, community centers, churches, schools, or other places where potential tenants may visit.

Each unit of general local government that subgrants the administration of this program must adopt affirmative marketing procedures and requirements that meet the requirement in paragraphs (a) and (b) of 24 CFR 92.351.

The grantee must maintain a file that contains copies of all marketing efforts and the records necessary to assess the results of these actions. This file will be inspected by the Division of Housing staff to evaluate the marketing efforts. The file should contain copies of newspaper ads, memos of phone calls, copies of letters and any other pertinent information.

The Division of Housing will monitor, at least annually, the compliance efforts made by its grantees and owners through review and approval of the affirmative marketing plans; comparison of predetermined occupancy goals to actual occupancy data that the owner will be required to maintain; and, review of outreach efforts on the part of the grantee and/or owners.

If the grantee and/or owner fail to follow the affirmative marketing requirements, corrective actions shall include extensive outreach efforts to appropriate contacts to achieve the occupancy goals or other actions the Division of Housing may deem necessary.

## **X. MINORITY AND WOMEN BUSINESS OUTREACH PROGRAM**

In accordance with Section 281 of the HOME Investment Partnership Act and 24 CFR 92.350, the Department of Local Affairs, Division of Housing, will prescribe procedures acceptable to HUD to establish and oversee a minority outreach program. The program shall include minority and women-owned businesses in all contracting activities entered into by the state to facilitate the provision of affordable housing authorized under this Act or any other Federal housing law applicable to the state.

The Department of Local Affairs, Division of Housing will encourage the use of women and minority owned businesses in bids for the various programs throughout the state under the

Colorado HOME program through coordination with the Governor's Minority Business Office established in 1989.

The outreach program, at a minimum, will consist of the following:

- ❖ Development of a systematic method for identifying and maintaining an inventory of certified minority and women's business enterprises (MBEs and WBEs), their capabilities, services, supplies and/or products;
- ❖ Usage of the local media, electronic and print, to market and promote contract and business opportunities for MBEs and WBEs;
- ❖ Development of informational and documentary materials (fact sheets, program guides, procurement forecasts, etc.) on contract/subcontract opportunities for MBEs and WBEs;
- ❖ Development of solicitation and procurement procedures that facilitate opportunities for MBEs and WBEs to participate as vendors and suppliers of goods and services;
- ❖ Sponsorship of business opportunity-related meetings, conferences, seminars, etc., with minority and women business organizations; and,
- ❖ All grantees and subrecipients will be required to maintain statistical data on the use and participation of minority and women business enterprises as contractor/subcontractors in HOME assisted program contracting activities. Owners will be required to identify projects that were bid by minority and women owned entities and the number of minorities or women hired as a result of activities undertaken using HOME funds.

## **HOME MATCHING REQUIREMENTS**

The Division of Housing provides HUD with HOME match using State Energy Impact Grants and Loans funds spent on HOME eligible activities, local funding used in HOME projects, foundation funds used in HOME projects, and other HOME eligible match sources.

# Emergency Shelter Grant Program (ESG)

## I. Program Description

GOAL. The goal of the Colorado Emergency Shelter Grants (ESG) Program is to assist homeless persons by providing better facilities, a complete continuum of supportive services at emergency shelters/transitional housing programs and to assist potentially homeless persons by providing expanded prevention programs.

### Program Objectives

- To support the operating costs of emergency shelters.
- To assist in the prevention of homelessness.
- To assist in improving the quality and range of services necessary for a complete continuum of care that encourages self-sufficiency for the homeless.
- To increase the availability of emergency shelter and transitional housing programs.
- To include homeless families and individuals to the maximum practicable extent in maintaining, renovating, operating, and constructing homeless facilities.

### Program Strategies

The Colorado Division of Housing will employ four strategies in the 2006 Federal Fiscal Year in its allocation of \$1,018,213 in ESG funds, those entities so choose. HUD has identified as a national priority the elimination of chronic homelessness. Colorado is taking serious aim at this target. Given the limited funding available, DOH may supplement with CDBG funds (2006 only), the homeless grant needs in *both entitlement and non-entitlement* areas, allowing us to expand homeless efforts. Priority will be given to projects that are consistent with the following strategies.

- In order to develop a comprehensive approach to the provision of emergency shelter and delivery of services for the homeless, the first program priority is to ensure that applicant agencies are leveraging all resources, including local, state, federal and private funding in the operation of a shelter and/or delivery of related prevention and essential services.
- The second strategy is to ensure that applicants make a significant contribution to the elimination of homelessness as documented statistically.
- The third strategy is to encourage programs to use a coordinated, case management approach to service delivery. Programs utilizing strong case management approaches that ensure the delivery of essential services along the continuum of care will receive priority consideration for funding.
- The fourth strategy is to encourage homelessness prevention through funding of programs that provide well-thought-out approaches to homelessness prevention.

## II. Emergency Shelter Grant Utilization

For FY 2006, it is anticipated that Colorado Division of Housing will receive an ESG allocation of at least \$1,018,213.

## III. Eligibility

Units of local government or nonprofit organizations within the State of Colorado are eligible to apply for Emergency Shelter Grant funding. Local governments may apply for assistance on behalf of nonprofit organizations or may deliver services directly. The State may distribute Emergency Shelter Grant funds directly to private nonprofit organizations.

If a nonprofit agency applies directly to the State for ESG funds, it is a federal requirement that they submit with their application a letter certifying approval of the application by the relevant unit of local government. In determining the relevant unit of local government for this certification, the local agency needs to determine its primary service area. If the primary service area is a town or city, the agency should seek approval of the town or city government. Programs whose primary service area is county wide or covers multiple towns and unincorporated areas, should ask approval of county governments. As a condition of grant award, applicants and grantees will be required to complete the appropriate Emergency Shelter Grants Program Certifications, have proof of Internal Revenue Service (I.R.S.) 501(c) status, and submit current I.R.S. W-9 Federal tax identification forms.

**Local certifications include:**

- ❖ Emergency Shelter Grant Program Assurances and Certifications;
- ❖ Certification of Local Approval for Nonprofit organizations;
- ❖ Certification of Exemption from requirements of the National Environmental Protection Act (See Environmental Review Section IX.), and;
- ❖ Certification of Consistency with the appropriate approved Consolidated Plan.

**NOTE:** The following entities have Consolidated Plans: Adams County; Arapahoe County; City of Arvada; City of Aurora; City of Boulder; City of Centennial; City of Colorado Springs; City and County of Denver; Douglas County; City of Fort Collins; City of Greeley; City of Grand Junction, Jefferson County; City of Lakewood; City of Longmont; City of Loveland; City of Pueblo, Pueblo County; and the City of Westminster. ESG applicants from these areas will obtain Certifications of Consistency with Consolidated Plan from these jurisdictions. The DOH will provide Certifications of Consistency with the Consolidated Plan for ESG applicants located in non-entitlement areas.

**State Certifications include:**

- ❖ Emergency Shelter Grant Assurances and Certifications Program;
- ❖ Prohibition of the use of federal funds for lobbying certification;
- ❖ Certification of consistency with the 2005-2010 Colorado Consolidated Plan.

#### **IV. Eligible Activities**

The activities listed below are eligible for funding under the Emergency Shelter Grant Program.

- ❖ Payment for costs of operation and maintenance which include such items as insurance, utilities, operating staff, and furnishings;
- ❖ Essential services;
- ❖ Homeless prevention services;
- ❖ Grant administration (for local governments or subdivisions thereof).

#### **V. Allocation And Selection Criteria**

For non-metropolitan Denver, the State will mail ESG application kits to previously funded local governments and nonprofit organizations. Upon request, we will mail application kits to other rural homeless providers for funding consideration. In '05, DOH may fund some rural area homeless services with CDBG dollars vs. ESG dollars, and use the standard ESG application as the basis for analysis of the criteria below. DOH will then determine which rural providers will receive ESG funding and which CDBG funding. ESG dollars freed in rural areas will then be available to fund additional shelter projects in metro Denver, Adams, Arapahoe, Broomfield, Boulder, Denver, Douglas and Jefferson Counties. Community Service Block Grant (CDBG) dollars may be used to fund services in Adams County.

For the Metro Denver area in 2006, the Division will mail ESG application kits to previously funded nonprofit organizations and may use an RFP process to solicit proposals from new homeless shelters. DOH may utilize a committee to assist in selection of ESG projects and awards using the selection criteria listed below (Criteria are the same for rural and Denver Metro areas). The Division of Housing may elect to utilize CDBG dollars for homeless services in the Metropolitan Denver Area.

Additionally, up to \$40,000 in ESG funding may be awarded by the Executive Director of the Department of Local Affairs on a discretionary basis.

All applicants must prioritize the activities for which they are requesting funding and are encouraged to develop programs that address supportive service needs and homelessness prevention in addition to covering basic operating expenses. Internal analysis will judge how well proposed projects meet evaluation criteria.

The evaluation criteria, in order of priority, will include the following:

- 1) The extent and urgency of the identified homeless needs;
- 2) The level of funding support for the applicant (Agency has sufficient funds to address the needs);
- 3) Leverage of resources (local, state, federal and charitable investment in the organization);
- 4) The capacity of the local government and/or nonprofit organizations to carry out the project(s). For existing subgrantees, we will take into account monitoring issues and timeliness of reports (compliance);
- 5) The anticipated project impact upon the identified needs;
- 6) Proximity to other homeless provider agencies (non-duplication);

- 7) The commitment to provide coordinated essential services and homelessness prevention activities within the applicant organization and in cooperation with other local nonprofit and governmental service providers (e.g. case management, centralized intake, a voucher system to assure payment for services provided by outside organizations);
- 8) The location of the service organization (geographic distribution);
- 9) Capacity to comply with HUD's requirement that client level information be entered into a Homeless Management Information System, upon HUD's final ruling;
- 10) The availability of other sources of funding for rehabilitation and emergency repair.

Program requirements will be the same for CDBG-funded projects and ESG-funded projects, and the funding cycles will also be the same. All applicants should show at least a dollar-for-dollar, or 1:1 match for ESG funds requested. The state will adjust contractual matching requirements based on the need of the subgrantee up to the \$100,000 federal statewide match waiver.

To comply with federal program rules, the state will ensure that not more than 30% of the aggregate amount of all ESG funds received by Division of Housing will be used for homeless prevention. The State will further ensure that not more than 30% of the aggregate amount of all ESG funds received will be used for essential services. Finally, the State will ensure that not more than 10% of the aggregate amount of all ESG funds received will be used for operating staff costs. In each of these cases, the State may vary the percentage of homeless prevention, essential services, and operating staff amounts it distributes to individual state recipients, respectively.

## **VI. Reallocation**

Any local government or nonprofit organization that fails to enter into a contract within sixty (60) days from the date of the award notice will subject their award to recapture and reallocation. Additionally, any local government or nonprofit organization that fails to request reimbursement for eligible activities within sixty (60) days from the contract execution date will subject their funds to recapture and reallocation.

## **VII. Monitoring And Reporting**

Each local government or nonprofit agency receiving grant funds will submit to the State a quarterly report about accomplishments and expenditures. Quarterly reports will be due 20 calendar days after the end of each quarter. The State will perform grantee monitoring and provide required reports to HUD.

## **VIII. Environmental Review**

Colorado assumes federal responsibility for assessing environmental effects of the proposed Emergency Shelter Grant activities in accordance with 104(g), Housing and Community Development Act of 1974, [procedural provisions of the National Environmental Protection Act (NEA)], and regulations contained in 24 CFR Part 58. Unless the project involves rehabilitation, conversion, or major repairs, repairs with costs greater than \$500, project activities are exempt from NEA requirements.

## **IX. Homeless Management Information System (HMIS)**

Colorado will implement HMIS through training activities conducted with subgrantees in 2005. Requirements for subgrantee participation in HMIS will be secured through a statement of "Assurances and Certifications" that must be signed by each subgrantee. HMIS Systems Operators for each of Colorado's three Continuums of Care will issue Certificates of Compliance that certifies that each agency funded with ESG funding is compliant with HMIS. This certificate will be placed in subgrantee files.

## **X. Projected Emergency Shelter Grant Schedule (Subject To Change)**

March 1, 2006	ESG Notice of Funding Availability published or application request letters mailed
April 3, 2006	ESG application deadline
May 15, 2006	ESG Awards made
June 26, 2006	ESG Training
July 1, 2006	Effective starting date of FY 2006 funding



# **Housing Opportunities For People With Aids (HOPWA) Formula Program**

## **I. Program Description**

In 2006 the Colorado Division of Housing will receive approximately \$354,000 in HOPWA entitlement funding from HUD. The Division will work with a consortium of four Colorado Aids Project (CAP) agencies to distribute assistance for persons living with HIV/AIDS. These funds may be used to acquire housing units within the entitlement area, to provide tenant-based rental assistance, emergency assistance, and/or to provide housing coordination services and supportive services to persons living with HIV/AIDS and their families.

## **II. Program Services**

HOPWA funding will be used to assist clients in accessing housing and related supportive services. Several small (two or three unit) projects are anticipated to acquire housing units for HIV/AIDS clients. Funds will be used to enable low-income persons living with HIV and their families in Colorado to achieve housing stability and access to health-care and related supportive services.

## **III. Funding Allocations**

In determining distribution of the \$354,000 allocated to the State of Colorado for federal fiscal year 2006, the Division of Housing is working with a consortium of four Colorado Aids Project (CAP) agencies to assess the required levels of funding for rental and emergency assistance and supportive services across CAP regions based on current trends and historic need (CAP regions reflect HUD's recent entitlement changes.). We will utilize recommendations from this consortium in making awards. Applicants will be HOPWA-eligible organizations or projects. The Division of Housing will also utilize a small amount of funding for administrative costs.

## **IV. Program Oversight**

The Division of Housing will have oversight of the grant. All spending caps on administration of this grant will be observed.

# **“Small Cities” Community Development Block Grant Programs**

## **I. Foreword**

The State of Colorado, through the Colorado Governor's Office of Economic Development and International Trade (OEDIT), and the Department of Local Affairs, will administer the "Small Cities" Community Development Block Grant (CDBG) program for non-entitlement jurisdictions of the State for Federal Fiscal Year 2006.

Local-State discussions of state administration of the CDBG program began in 1981 and resulted in the State opting to assume the responsibility for administration of the program starting in federal Fiscal Year 1983. These discussions have continued each year and have consisted of a direct consultation process with local governments and the public, including at least one public hearing each year, and deliberations with advisory groups. The State CDBG program, as presented in this document, represents the collective effort of all the individuals, local governments and organizations that have participated in its development. While unanimity may not have been achieved on all issues, constructive compromises and agreements were generally realized. The time and effort committed by all who have participated in the development and refinement of the program is greatly appreciated.

The Colorado Governor's Office of Economic Development and International Trade is responsible for all projects involving the use of CDBG funds to provide financing for private for-profit businesses, with one exception. The exception is the case in which the financing for a private, for-profit business is for the rehabilitation of non-residential properties when such properties are integral parts of local government sanctioned and planned community redevelopment efforts or when such properties are of key historic or commercial importance to a community or neighborhood. The Department of Local Affairs is responsible for this type of rehabilitation and for all other eligible CDBG project activities, including housing, public facilities and community development. The Department's Division of Housing has "lead" responsibility for housing and homeless assistance projects funded through the program. The Financial Services section of the Department's Division of Local Government (DLG) is responsible for CDBG-assisted public facilities and community development projects. The Department's Division of Local Government is responsible for overall coordination of the State's CDBG program. Appropriate State staff can be reached at the following numbers:

Colorado Governor's Office of Economic Development (Denver)	(303) 892-3840
Department of Local Affairs – TDD	(303) 866-5300
Division of Housing (Central Number)	(303) 866-2033
Field Offices – Denver	
Connie Campos	(303) 866-4650
Liz Smith	(303) 866-5577
Ann Watts	(303) 866-4652
Pueblo	
Rick Hanger	(719) 544-2466
Grand Junction	
Bill Whaley	(970) 248-7302

Division of Local Government (Central Number)		(303) 866-2156
Field Offices –Golden	Clay Brown	(303) 273-1787
	Durango	Ken Charles
	Sterling	Kent Gumina
	Grand Junction	Tim Sarmo
	Loveland	Don Sandoval
	Pueblo	Lee Merkel
	Monte Vista	Debra Downs
	Silverthorne	Cathy Shipley

## II. Introduction

The federal Community Development Block Grant (CDBG) program was established by the Housing and Community Development Act of 1974. The program is designed to help communities meet their greatest community development and redevelopment needs, with particular emphasis on assisting persons of low and moderate income. The overall program consists of two major elements:

- **The "entitlement" program.** This portion of the overall program is administered by the U.S. Department of Housing and Urban Development (HUD) and provides assistance to those communities that are "entitled" to CDBG funds by virtue of their size or metropolitan area status. Essentially, entitlement communities are those cities which are within a metropolitan area and which have a population of 50,000 or more or are designated as a "central city," and those counties which are within a metropolitan area and which have a combined population of 200,000 or more in their unincorporated areas and non-entitlement municipalities. There are currently 16 entitlement jurisdictions in Colorado: Adams County (unincorporated areas and Bennett, Broomfield, Brighton, Federal Heights, Northglenn and Thornton), Arapahoe County (unincorporated areas and Bow Mar, Centennial, Cherry Hills Village, Columbine Valley, Deer Trail, Englewood, Glendale, Greenwood Village, Littleton, and Sheridan), Douglas County (unincorporated areas and Castle Rock, Larkspur, Lone Tree and Parker) and Jefferson County (unincorporated areas and Arvada, Edgewater, Golden, Mountain View, and Wheat Ridge), Aurora, Boulder, Colorado Springs, Denver, Fort Collins, Grand Junction, Greeley, Lakewood, Longmont, Loveland, Pueblo and Westminster.
- **The "non-entitlement," or so-called "Small Cities," program.** This portion of the overall program provides assistance to those communities who do not qualify for the entitlement program. The State assumed responsibility for administration of this portion of the CDBG program starting in federal Fiscal Year 1983.

## Review and Comment by Local Governments and Citizens

The State's annual Performance and Evaluation Reports provide a basis for review and comment on the performance of the State. Pursuant to the State open records law and the federal CDBG law, records on use of any prior year and future Small Cities CDBG funds by the State or a local government or recipient must be available for access by citizens and units of general local government. The State's records are available through the Department of Local Affairs, 1313 Sherman Street, Room 521, Denver, Colorado. These records may be examined in the State's offices and copies may be obtained for a fee during regular working hours.

The State will provide to citizens and to units of general local government reasonable notice of, and an opportunity to comment on, any proposed substantial changes in these Program Guidelines or in the use of CDBG funds.

## Compliance With Federal and State Requirements

These Program Guidelines and grantee guidance have been developed to comply with all existing federal requirements. When revised federal regulations for the state-administered

"Small Cities" program are published for effect, those new regulations and any subsequent changes in the law, regulations or policy will govern in the event of any inconsistencies with these Program Guidelines.

The program design also takes into account that, in administering the program, the State and local applicants and grantees must assume responsibility for assuring compliance with many federal and State laws and regulations that apply to the CDBG program. A brief description of some of the applicable federal requirements is included in Section VIII.

### **III. Goal And Objectives**

**Goal:** Colorado's goal in administering the CDBG program is to establish a program that is responsive to local community development needs, strategies and priorities, and that produces a measurable improvement in the communities served by the program.

**Primary Objective:** The primary objective of the State's program is the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. Consistent with this primary objective, not less than seventy percent (70%) of federal Fiscal Years 2005, 2006, and 2007 funds and State program income will be used for project activities that benefit persons of low and moderate income.

**Broad Objectives:** The federal Housing and Community Development Act of 1974 establishes three broad national objectives for the CDBG program:

- Benefit persons of low and moderate income;
- Prevent or eliminate slums or blight; and
- Address other urgent needs.

The primary objective of the State's program will be achieved through a program that gives maximum feasible priority to funding activities that benefit persons of low and moderate income or aid in the prevention or elimination of slums or blight. Funding may also be provided for activities which grantees certify meet other community development needs that have arisen during the preceding 18-month period and have a particular urgency.

Additionally, it is the intent of the State and of Congress that CDBG funds not be used to reduce substantially the amount of local financial support for community development activities below the level of such support prior to the availability of CDBG assistance.

### **Benefit to Persons of Low and Moderate Income**

Except as otherwise specified in federal law and regulations, a local project activity will be determined to address the broad national objective of "benefit to persons of low and moderate income" if not less than fifty-one percent (51%) of the beneficiaries of the CDBG-funded project activity are low and moderate income persons.

Low and moderate-income persons are defined as those persons who are members of households (families for economic development purposes) whose annual incomes do not exceed HUD-prescribed income limits, which are based on eighty percent (80%) of median

family income. Two sets of income limits are contained in the appendices of these Program Guidelines. Depending on the nature of the specific local project activities and on the specific techniques to be used, CDBG grantees are required to use one or the other of the two sets of income limits.

- Contained in Section IX are income limits stated in current (2005) dollars. CDBG grantees and applicants whose projects involve the individual selection and qualification of beneficiaries based on their current incomes (as is the case in housing rehabilitation, job creation and other "direct benefit" projects) must use these income limits in determining whether beneficiaries are low and moderate income persons. CDBG grantees and applicants undertaking "area-wide benefit" projects and using State-approved surveys to obtain information on the current incomes of project beneficiaries must use these income limits to estimate the low and moderate income benefit of project activities to low and moderate income persons.
- HUD has provided the State data on the number and percentage of low and moderate-income persons in all municipalities, counties, enumeration districts, census tracts and block groups for "area-wide benefit" projects. These data are available from the State on request.

## **Prevention or Elimination of Slums or Blight**

Contained in Section X are the requirements that must be met in determining that a project activity meets the broad national objective of "prevention or elimination of slums or blight." For the purpose of determining whether a local project activity addresses this broad national objective, the definition of "slum" is the definition of "slum area" contained in 31-25-103 C.R.S., as amended, and, similarly, the definition of "blight" is the definition of "blighted area" contained in 31-25-103, C.R.S., as amended.

## **Address Other Urgent Needs**

To comply with the national objective of meeting community development needs having a particular urgency, an activity will be considered to address this objective if the applicant certifies that conditions exist which:

- pose a serious and immediate threat to the health or welfare of the community,
- are of recent origin or recently became urgent,
- the grantee is unable to finance on its own; and
- other resources of funds are not available.

A condition will be considered to be of recent origin if it developed or became critical within 18 months preceding the grantee's certification.

## **IV. Eligible Activities And Recipients**

**Eligible Activities and Recipients:** Eligible activities and services under the State CDBG program are those which:

- are consistent with the program goal and objectives stated above; and
- are included as eligible activities under Section 105 of Title I of the Housing and Community Development Act of 1974, as amended, and are otherwise eligible under other sections of Title I and under detailed federal regulations. Excerpts from Section 105 and other sections of the federal CDBG law relevant to activity eligibility are presented in the Eligible Activities Section.

Activities which involve involuntary, permanent displacement of persons are not ineligible; however, it is a federal requirement that local plans and policies be established to minimize involuntary, permanent displacement; replace low/moderate-income dwelling units demolished or converted to another use as a direct result of CDBG assistance; and assist persons actually displaced as a result of CDBG-assisted activities.

The State has certified to HUD that it will not refuse to distribute the CDBG funds to any unit of general local government on the basis of the particular eligible activity selected by such unit of general local government to meet its community development needs, except that this does not prevent the State from establishing priorities in distributing the CDBG funds on the basis of the activities selected.

**Eligible Recipients:** Except for CDBG funding for homeless services (see below) eligible recipients are those municipalities and counties not eligible for federal "entitlement" CDBG funds; that is, eligible recipients are all municipalities and counties except: Adams County (unincorporated areas and Bennett, Broomfield, Brighton, Federal Heights, Northglenn and Thornton), Arapahoe County (unincorporated areas and Bow Mar, Centennial, Cherry Hills Village, Columbine Valley, Deer Trail, Englewood, Glendale, Greenwood Village, Littleton, and Sheridan), Douglas County (unincorporated areas and Castle Rock, Larkspur, Lone Tree, and Parker), Jefferson County (unincorporated areas and Arvada, Edgewater, Golden, Lakewood, Mountain View, and Wheat Ridge), Aurora, Boulder, Colorado Springs, Denver, Fort Collins, Grand Junction, Greeley, Lakewood, Longmont, Loveland, Pueblo and Westminster.

Per HUD's definition of homelessness, a homeless person lacks a fixed, regular place to live: "A person is considered homeless when he/she resides in one of the places described below:

- i. in places not meant for human habitation, such as cars, parks, sidewalks, and abandoned buildings;
- ii. in an emergency shelter;
- iii. in transitional or supportive housing for homeless persons who originally came from the streets or emergency shelter;
- iv. in any of the above places, but is spending a short time (up to 30 consecutive days) in a hospital or other institution;
- v. is being evicted within a week from a private dwelling unit and no subsequent residence has been identified and the person lacks the resources and support networks needed to obtain housing; or
- vi. is being discharged within a week from an institution in which the person has been a resident for more than 30 consecutive days and no subsequent residence has been identified and he/she lacks the resources and support networks needed to obtain housing."

The Division of Housing hereby finds that the homeless do not have a specific address.

Homeless persons have no home and can be considered residents of the non-entitlement areas of the state. Therefore, DOH may provide CDBG funds to shelter facilities in the entitlement areas of the State of Colorado.

The State encourages arrangements between and among eligible entities that will ensure adequate provision of common or related community development activities and services. Also, municipalities and counties may contract with other entities or parties (Councils of Governments, Regional Planning Districts, Special Districts, Local Development Corporations, Downtown Development Authorities, Urban Renewal Authorities, Housing Authorities, non-profit corporations, etc.) to carry out project activities as provided for under statutes (including 31-51-101 (1) (c), 30-11-101 (1) (d), 29-1-203 and 29- 1-204.5, C.R.S., as amended), ordinances and resolutions, and State and local financial management procedures.

## **Multi-Jurisdictional Projects**

A "multi-jurisdictional" project is one in which two or more municipalities and/or counties carry out an activity or set of closely-connected activities that address an identified common problem or need. The following specific requirements must be met in multi-jurisdictional projects:

- One of the participating municipalities or counties must be authorized by the other participating municipalities or counties to act in a representative capacity for all of the participants. This designated entity must assume overall responsibility for ensuring the entire project is carried out in accordance with all program requirements. The overall responsibility and any related individual responsibilities must be specified in a legally binding cooperation agreement between the designated entity and all other directly participating municipalities and counties.
- To meet the citizen participation requirements of Section 104(a)(2) of the Housing and Community Development Act of 1974 ("the Act"), as amended, all the requirements listed in paragraph 2 of "Grantee Responsibilities" must be met, including the requirements that:
- Each participating jurisdiction must hold a public hearing; and
- The proposed and final project plan/application for the combination of project participants must be made available in each of the participating jurisdictions.
- To meet the citizen participation requirements of Section 104(a)(3) of the Act, each participating jurisdiction must have and follow a detailed citizen participation plan (or certify that it is complying with the state's plan which addresses the six areas of concern specified in paragraph 3 of "Grantee Responsibilities".
- To meet the requirements of Section 104(d) of the Act, each participating jurisdiction must have and follow a Residential anti-displacement and relocation assistance plan. (See paragraph 5 of "Grantee Responsibilities".)
- To meet the requirements of Section 106(d)(5) of the Act, each participating jurisdiction must make and comply with the displacement, fair housing and other certifications described in paragraphs 6, 7, and 8 of "Grantee Responsibilities".)

## **V. Method Of Funds Distribution**

Approximately \$11,707,200 in FFY 2006 funds is expected to be allocated to the State for the 2006 program. Of this amount, about \$11,255,984 will be available for commitment to local projects, and about \$334,144 will be available to the State for its administration of the program. Any unobligated prior years funds, for local projects will also be available for commitment to local projects, as well as any committed funds which may be subsequently recovered by the State and any additional funds which may be awarded to the State by HUD, less the State administration allowance.

Program income is defined as gross income generated from the use of CDBG funds received by a grantee or a sub-recipient of a unit of local government. Currently, the state does not have, nor does it anticipate funding, any projects that generate program income. Should a project that generates program income be funded within the state's twelve (12) month program year, those funds, less the State administration allowance, will be directly available for commitment to projects, or will be set-aside by the State in a revolving loan fund for commitment to projects that generate program income. Grant sub-recipients will be allowed to retain program income if it can be demonstrated to the satisfaction of the State that the program income will continue to be used to finance projects of the same type and adequate capacity to administer the funds. The state will use up to two percent (2%) of locally retained program income for state program administration expenses. Any available funds that are not committed, including funds set-aside from program income payments, will be carried forward for commitment during a subsequent period.

Activities carried out by neighborhood-based non-profit organizations, local development corporations, or nonprofit organizations serving the development needs of communities in non-entitlement areas of the state are exempt from program income requirements. Income derived from these activities is deemed "miscellaneous" and must be retained by the sub-recipient to continue financing projects of the same type under a revolving loan fund. Currently, the majority of existing contracts the state has with local governments for housing rehabilitation and business-financing projects are with qualifying non-profit organizations. The State requires income to be used for additional housing and business financing activities. This income is dedicated to the revolving fund created solely for the specific housing rehabilitation or economic development activity.

In FFY 2006, the state will use up to one percent (1%) of the amount of the amount available to the state (\$117,0702) for technical assistance to local governments and nonprofit program recipients.

Not less than seventy percent (70%) of funds received by the State during the period of FFYs 2005, 2006 and 2007 will be used for project activities that benefit low and moderate income persons.

### ***Interim/Short-Term Financing Grant Program***

Significant portions of the CDBG funds allocated to the State will remain unused for relatively long periods, even after these funds are committed by the State to eligible recipients for local projects. In order to maximize the use of these funds, which are available to the State under letters of credit from HUD, the State may choose to use these funds to provide grants to eligible recipients for interim or short-term financing of eligible economic development, housing and public facilities project activities which are consistent with the federal and State program goals and objectives. Program income or other funds paid to the State under the Interim/Short-Term Financing Grant Program will be used by the State to meet its other grant commitments to recipients. A recipient will be allowed to retain program income if it can be demonstrated to the satisfaction of the State that the program income is likely to be needed to finance projects of the same type and that there is adequate capacity to administer the funds.

Because the availability of funds for subsequent use depends on the payment of these funds from the initial user, there is some risk to subsequent users. This risk will be minimized through the use of irrevocable and unconditional letters of credit (to be required by recipients of borrowers, so that letter of credit proceeds will be available to the State through recipients) and/or other appropriate measures.

In reviewing proposals under the Interim/Short-Term Financing Grant Program, the State will consider:

- The proposed direct benefit of the project activities to low and moderate-income persons.
- The nature and extent of the effect of interim/short-term financing on project cost, feasibility and benefit, including the consequences of not providing a grant for the interim/short-term financing.
- The likelihood that program income or other funds will be available to the State in the amount and at the time proposed by the recipient so that the State will be able to meet its other grant commitments to recipients.
- If the interim/short-term assistance is to be provided to a private, for-profit entity to carry out an economic development project, the State will determine whether the assistance is " appropriate" (as required by federal



statute, regulation and policy).

### ***Regular Grant Program Funding***

The following amount of funds were set aside for the three major categories of projects and activities for the regular FFY 2005 grant program. It is anticipated that FFY 2006 funds will be approximately the same:

	<u>Program Income</u>	<u>FFY05</u>
Business financing (through OEDIT)	\$0	\$ 3,985,359
Housing (through Local Affairs)		\$ 3,985,359
Public facilities/community development (through Local Affairs)		<u>\$ 3,985,360</u>
	<u>\$0</u>	\$11,956,078

More or less than these amounts for each project category may actually be awarded, depending on the relative quality of proposals received and on State and local priorities.

The state will provide information, upon request, for those communities interested in applying for guaranteed loans funds under Subpart M, the Section 108 Loan Guarantee program as well as give consideration to funding multi-year and/or multi-purpose applications.

### ***Maximum and Minimum Grant Amounts***

There are no absolute limits to the amount of funding an applicant may request. It is suggested for public facility/community development projects that \$300,000 be considered the maximum grant guideline. There is no suggested maximum for housing projects. There is no maximum limit for economic development projects. Suggested guidelines vary based on the use of funds.

### ***Review Process for Housing, Public Facilities, and Community Development Proposals***

Public facilities and community development proposals may be considered by the Department of Local Affairs periodically, on a continuous basis, during specified application periods or in conjunction with funding cycles established by the Department. Local government associations and regional organizations providing technical assistance to local governments will be advised of application opportunities.

The Department may end or defer consideration of public facilities/community development proposals when funds available have been exhausted and when proposals are incomplete or premature.

The term "community development proposals" includes such projects as public improvements in downtown or other commercial areas, public and private non-profit tourist facilities and attractions, public and private non-profit business incubators, and rehabilitation of publicly and privately owned non-residential properties when such properties are integral parts of local government sanctioned and planned community redevelopment efforts, or when such properties are of key historic or commercial importance to a community or neighborhood.

Housing proposals will continue to be received and considered on a continuous basis by the Division of Housing using the same system outlined in the HOME program narrative. The Department may end or defer consideration of housing proposals when funds available have been exhausted and when proposals are incomplete or premature. Business development proposals involving the provision of financial assistance for private-for-profit and nonprofit businesses will be received and considered on a continuous basis by the Governor's Office of Economic Development and International Trade. Proposals will be evaluated by staff using the same three major factors as noted above for housing. The Governor's Financial Review Committee reviews business development proposals and makes final funding decisions.

Given the fact that HUD has targeted Chronic Homelessness, but has not provided additional funding, the Department of Local Affairs, Division of Housing will take aim at this target with CDBG funding. Given the limited Emergency Shelter funding available, DOH intends to increase the funding targeted to homelessness utilizing CDBG funds in *non-entitlement* areas, allowing us to expand ESG homeless efforts in *entitlements*. Priority will be given to projects that are consistent with the following strategies.

- In order to develop a comprehensive approach to the provision of emergency shelter and delivery of services for the homeless, the first program priority is to ensure that applicant agencies are leveraging all resources, including local, state, federal and private funding in the operation of a shelter and/or deliver of related prevention and essential services.
- The second strategy is to ensure that applicants make a significant contribution to the elimination of homelessness as documented statistically.
- The third strategy is to encourage programs to use a coordinated, case management approach to service delivery. Programs utilizing strong case management approaches that ensure the delivery of essential services along the continuum of care will receive priority consideration for funding.
- The fourth strategy is to encourage homeless prevention through funding of programs that provide well thought out approaches to homelessness prevention.

Applicants for public facilities and community development projects (including all participants in multi-jurisdictional projects) are expected to prioritize all applications to the Department for CDBG funds. When submitted, housing, public facilities and community development proposals will be evaluated by Department staff on the following three major factors:

- Project Impact
- Public and Private Commitments
- Management Capability

No points are assigned, however, regional field and program staff review each application and a consensus is reached on level of funding recommendation. Applications are considered until all funding is committed. Recommendations range from full funding, high or low partial funding, to no funding.

The results of the staff review will be forwarded to the Executive Director of the Department of Local Affairs, who may consult with the State Housing Board or other advisory groups on the proposal. The consultation may be by telephone or mail, or may involve a meeting or hearing. Proposals for the continuation of existing housing rehabilitation/replacement projects will not be reviewed individually by an advisory body as long as acceptable performance is maintained, including performance in obtaining commitments of local cash and other public and private funds for their projects.

The Department Executive Director will consider staff reviews and any advisory committee recommendations and make the final funding decisions based on the project review factors.

In making funding decisions as well as decisions on proposed modifications to funded projects, the Department Executive Director may specify alternatives or changes as he deems necessary or appropriate, consistent with the project review factors. Alternatives and changes specified may include, but are not necessarily limited to: providing more or less funding than requested, proposed or recommended; adjusting project budget line items; providing funds for only selected activities within an overall project; making a single award to two or more separate applicants so that projects can be undertaken on a multi-jurisdictional basis; changing terms, uses and conditions; and permitting projects to be amended to include additional, fewer or different project activities.

### ***Review Process for Business Development Proposals for Private Businesses***

Business development proposals involving the provision of financial assistance for private for-profit and non-profit businesses (except for any financing to be provided by the Department of Local Affairs for "community development proposals," as previously described) will be received and considered on a continuous basis by the Colorado Governor's Office of Economic Development and International Trade (OEDIT). Such proposals include those which would provide funding through, local or regional loan funds, those which would provide infrastructure to benefit specific businesses and those which would provide feasibility/planning studies to benefit specific businesses.

The OEDIT may end or defer consideration of business financing proposals when funds available for award for such projects have been exhausted and when applications are incomplete or premature. Proposals will be evaluated by staff using the same three major factors as noted above for housing, public facilities, and community development proposals. The Colorado Governor's Financial Review Committee will review the economic development proposals and make final funding decisions.

### ***Review Factors for All Public Facilities and Economic Development Proposals***

The following are the factors that will be used by staff in evaluating proposals. Under the various factors are listed many of the general and specific questions that may be asked, as appropriate, by staff in reviewing proposals and determining ratings.

**1. Project Impact.** The purpose of consideration of this factor is to determine the extent to which the community, particularly its low and moderate-income residents, will benefit from the proposed project.

**a. Benefit to Low and Moderate Income Persons**

For all projects, on an activity-by-activity and on a project-wide basis:

- What amount(s) of CDBG and non-CDBG funds will directly benefit low and moderate-income persons?
- What percentage(s) of CDBG and non-CDBG funds will directly benefit low and moderate-income persons?
- What number(s) of low and moderate-income persons will directly benefit from CDBG and non-CDBG funds?
- What percentage(s) of all persons directly benefited by CDBG and non-CDBG funds are low and

moderate-income persons?

- What local application, hiring, and other procedures will be used to ensure that benefits projected to be provided to low and moderate income persons will actually be realized by such persons?
- How will the actual benefit to low and moderate-income persons be documented?
- Are the jurisdiction's projections or commitments with respect to low and moderate-income benefit realistic and attainable?
- If the proposed project will increase operational costs, what will be the effect on low and moderate-income persons?

b. Extent and Urgency of the Need, and Extent to Which the Need is Addressed in a Timely Fashion

For all projects:

- What is the need to be addressed?
- How serious is the need?
- Is the public health or welfare threatened?
- What actions have previously been taken to remedy the problem?
- What are the results of these past actions?
- Have alternative means of addressing the need been adequately considered?
- What actions are proposed to meet the need?
- Are the proposed actions effective, efficient, appropriate, reasonable, and feasible?
- How does the proposed project differ from past efforts?
- Can the proposed activities be undertaken and completed in a reasonable period of time?
- What additional actions, in addition to the proposed CDBG project, may be necessary to meet the need?
- To what extent is the need met by the proposed project?
- What are the consequences of CDBG funds not being approved for the proposed project activities?
- Is resident and/or business displacement minimized? Are provisions made to assist persons involuntarily, permanently displaced?
- Will the project result in the demolition or conversion of dwelling units for the low- moderate-income persons?
- What measures are proposed to ensure that results to be achieved by the project will be adequately maintained in the future?
- If appropriate, has consideration been given and commitment made to recovering and reusing CDBG and other funds to continue efforts to address the need?

For projects including supportive human services activities (including job training and day care aspects of economic development projects):

- How are such activities critical to the accomplishment of overall objectives?
- Will CDBG funding supplant local, federal or other State assistance available for such activities?
- Is the requested CDBG assistance for such activities sufficient to complete the activities, or must the activities continue in order to achieve overall objectives?
- What percentage of total project costs will be spent on these activities?

For economic development projects:

- How many permanent jobs (both full-time and part-time) will be created and/or retained by the proposed project?
- Are the required factors used to determine that assistance to a private, for-profit entity "appropriate"?
- What types of permanent jobs will be created or retained?
- What effect will the proposed project have on the local tax base?
- Has adequate consideration been given to the relationships between job training needs, resources available, and the proposed project?
- When the proposed project involves public improvements in the central business district, are the proposed improvements being undertaken in designated slums or blighted areas?

- When the proposed project involves industrial sites and/or facilities, is a prospect "in hand"?

For economic development projects that involve grants or business loan funds or loan guarantees:

- At what point will the full amount of the loan(s) be repaid, if applicable?
- Is the local selection process for grants, loans, and other forms of assistance open and equitable, and address the greatest needs to the extent feasible?

For site acquisition and/or other development projects:

- Does the site meet lender or other site selection standards?
- Are preliminary engineering/architectural designs or plans, specifications and cost estimates or studies completed? When will final plans, specifications and cost estimates be completed?
- Have proper studies been completed which demonstrate that there is a market for the proposed project and that it is financially feasible?

For public facilities projects:

- Is any attempt planned to recover any capital costs of public improvements assisted with CDBG funds?
- If applicable, is the proposed project on the State Water or Sewer Needs Project Tracking List?

c. Consistency with Local Development Strategies and Coordination with Other Activities.

For all projects:

- How long has the proposed project been a priority or identified in an approved plan?
- What is the priority for the proposed project relative to other CDBG and Impact requests?
- Does the proposed project comply with, or not contradict, existing local planning regulations, such as zoning ordinances and subdivision regulations?
- How is the proposed project part of and consistent with an overall local capital improvements and maintenance plan and budget?
- If the community is included in an adopted development strategy or comprehensive plan for a larger geographic area, is the proposed project in conformance with, or not in contradiction to, such a strategy or plan?
- How long has the proposed project represented a documented need?
- To what extent does the proposed project complement, supplement or support other local, State or federal projects, programs or plans already in effect or to be implemented?
- Is there duplication of effort or overlap?
- To what extent does the proposed project further other related local projects or plans?
- If the proposed project lends itself to a multi-jurisdictional approach, has such a joint approach been adequately considered?
- When projects involve public improvements in the central business district, are downtown public improvements being undertaken in coordination with, or by a representative local economic development organization?

**2. Public and Private Commitments.** The purpose of consideration of this factor is to determine the extent of public and private commitments to the proposed project. Both the amount or value of commitments and the viability of commitments will be considered. Communities are strongly encouraged to take primary responsibility for resolving their housing, economic development and public facilities problems. In specific projects this may involve making financial commitments; adjusting development regulations, user rates and fees, and capital construction and maintenance programs; creating improvement districts; establishing development and redevelopment authorities; and generally sharing in or leveraging funds and management for development and redevelopment.

a. Local Financial Commitments.

For all projects:

- To the extent of their abilities, have the local government and project participants and beneficiaries engaged and/or committed to engage generally in taxing efforts to address their own continuing development and maintenance needs?
- To the extent of their abilities, have the local government and local project participants and beneficiaries appropriated/committed funds specifically for the proposed project and/or committed to alter fees to ensure the success of the specific project?
- When the proposed project involves business loan funds or loan guarantees, what is the ratio of private and/or local public investment to the amount of CDBG funds requested? How was this determined?
- When the proposed project involves public improvements in the central business district, has the private sector demonstrated a commitment to reinvest (e.g., through formation of an improvement district or through committing to business loans)?
- When a proposed development project requires interim and/or permanent financing, is the needed financing firmly committed? If not, is there a conditional or preliminary commitment, and what is the likelihood that a firm commitment will be made?

b. Local Non-Financial Commitments.

For all projects:

- If necessary, has the community committed to alter local regulations to ensure the success of the project?
- Has the community made good faith efforts to involve residents, including low and moderate income persons and minorities, in assessing community needs and developing strategies to address its needs?
- Have the directly affected parties in the community demonstrated active support for the project?

c. Other Commitments

For all projects:

- Have any grant funds been sought for or committed to the proposed project?
- What are the sources, amounts and availabilities of these grant funds?

**3. Management Capability.** The purpose of consideration of this factor is to evaluate the ability of the local government submitting the proposal to administer the project as described.

a. Staff and Contractors.

For all projects:

- Does the local government have adequate and experienced programmatic and fiscal staff and contractors, or has the applicant thoroughly considered the types of staff and contractor experience and qualifications necessary to carry out the project, including extensive statutory and regulatory requirements?
- How have the local government and its contractors performed in the past in carrying out development and redevelopment activities, and any type of activity with extensive statutory and regulatory requirements?
- To what extent will local government staff be directly involved in project management?
- What criteria and procedures will be used for selecting contractors?
- Have the roles and responsibilities of project participants been clearly established?

For economic development projects:

- Has the local government established an advisory or decision-making committee knowledgeable in economic development matters including small business support, industrial recruiting, business loan funds, etc.?
- Does the jurisdiction have business management experience sufficient to review pro forma, cash flow statements and business plans? If not, how will these tasks be accomplished?

b. Budget. Administrative costs as well as other costs will be compared with those of other similar proposals.

For all projects:

- Are the proposed administration and overall project budgets (including appropriate development and operating budgets in the case of development projects) adequate, reasonable and realistic given the project work plan?

c. Statutory and Regulatory Compliance.

- Does the proposed project involve or result in residential displacement? If so, have all reasonable steps been taken to minimize displacement? Is there a plan to replace all low/moderate income housing demolished or converted, and to assist persons being relocated?
- Does the proposed project involve real property acquisition or relocation of any persons or businesses? Are the Uniform Act requirements triggered? Are cost and time requirements reasonably estimated?
- Have labor wage costs been reasonably estimated? (Especially, has the applicant considered whether the proposed project is subject to Davis-Bacon prevailing wage requirements?)
- Is the proposed project in a floodplain or geological hazard area or does it affect cultural or historic resources? Are there other environmental considerations? If so, what mitigation measures are proposed and what alternatives have been considered?

## **VI. Technical Assistance**

The State will continue a coordinated technical assistance program to assist communities in the areas of CDBG project management and project formulation and planning, particularly in coordination with State programs such as impact grants, housing grants and loans, emergency water and sewer grants, and economic development funds. Special project management technical assistance will be targeted to those communities that have never administered a CDBG grant, and to those that have experienced or are experiencing difficulty in administering a CDBG grant. Project formulation and planning assistance will be targeted to those communities that need more long-term technical assistance to prepare for CDBG or other State funding in the future and that have committed to undertake overall development and maintenance planning and budgeting efforts. State technical assistance may be in the form of personal contact with local government officials and staff, workshops, brokering assistance from private or local public sources, and documents and materials. Staff have prepared a CDBG Guidebook which is available on-line at [www.dola.state.co.us/LGS/FA/cdbg.htm](http://www.dola.state.co.us/LGS/FA/cdbg.htm). The Guidebook contains information on Project Start-up, Financial Management, Reporting, Environmental Review, Civil Rights, Acquisition, Relocation, Labor and Construction, Project Close-Out, and Monitoring. All sections are available in PDF or Word format. This Guidebook is also given to grantees in hard copy at the time of award.

## **VII. Grantee Responsibilities**

As previously indicated, municipal and county governments are strongly encouraged to take primary responsibility for resolving housing and community development problems. In specific projects, this may involve adjusting development regulations, user rates and fees and capital construction and maintenance programs, creation of improvement districts, and generally sharing in or leveraging funds and management for development and redevelopment.

Also, local governments and project sponsors are strongly encouraged to use advisory committees in assessing needs and in formulating, implementing and modifying local development and redevelopment strategies. Use of such committees can often lend continuity and objectivity to the planning and development process. Additionally, jurisdictions submitting proposals and, as required, other project participants must comply with the following specific requirements by means of addressing the preceding "Review Factors" and providing specific certifications and statements:

1. Develop a community development program so as to give maximum feasible priority to activities that will benefit persons of low and moderate income or aid in the prevention or elimination of slums or blight. An applicant may also describe activities that the applicant certifies are designed to meet other community development needs that have arisen during the preceding 12-month period and have a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available.
2. Provide in a timely manner and as required, opportunities for citizen participation, hearings, and access to information with respect to its community development program, specifically including:
  - Furnishing citizens information concerning the amount of funds available for proposed community



development and housing activities and the range of activities that may be undertaken, including the estimated amount proposed to be used for activities that will benefit persons of low and moderate income and its plans for minimizing displacement of persons as a result of activities assisted with CDBG funds and to assist persons actually displaced as a result of such activities;

- Publishing a proposed project plan/application in such a manner to afford affected citizens an opportunity to examine its content and to submit comments on the proposed project plan/application and on the community development performance of the applicant;
- Holding one or more public hearings to obtain the views of citizens on community development and housing needs;
- As applicable, providing citizens with reasonable access to records regarding its past use of CDBG funds;
- In preparing its project plan/application, considering any such comments and views and, if deemed appropriate, modifying the proposed project plan/application;
- Making the final project plan/application available to the public;
- In the event it is awarded CDBG funds by the State, providing citizens with reasonable notice of, and opportunity to comment on, any substantial change proposed to be made in the use of CDBG funds from one eligible activity to another by following the same procedures required in this paragraph for the preparation and submission of the final project plan/application.

3. Follow a detailed citizen participation plan which:

- Provides for and encourages citizen participation with particular emphasis on participation by persons of low and moderate income who are residents of slum and blight areas and of areas in which CDBG funds are proposed to be used;
- Provides citizens with reasonable and timely access to local meetings, information, and records relating to its proposed and actual use of CDBG funds;
- Provides for technical assistance to groups representative of persons of low and moderate income that request such assistance in developing proposals with the level and type of assistance to be determined by the applicant;
- Provides for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least the development of needs, the review of proposed activities, and review of program performance, which hearings shall be held after adequate notice at times and locations convenient to potential or actual beneficiaries, and with accommodation for the handicapped;
- Provides for a timely written answer to written complaints and grievances, within 15 working days where practicable; and
- Identifies how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.

4. Prior to submitting a proposal for funds, identify and document community development and housing needs, including the needs of low and moderate income persons, and the activities to be undertaken to meet such needs.

5. Follow a residential anti-displacement and relocation assistance plan which shall in the event of such displacement, provide that:

- Governmental agencies or private developers shall provide within the same community comparable replacement dwellings for the same number of occupants as could have been housed in the occupied and vacant habitable low and moderate-income dwelling units demolished or converted to a use other than for housing for low and moderate income persons, and provide that such replacement housing may include existing housing assisted with project based assistance provided under section 8 of the United State's Housing Act of 1937;
- Such comparable replacement dwellings shall be designed to remain affordable to persons of low and moderate income for 10 years from the time of initial occupancy;
- Relocation shall be provided for all low or moderate income persons who occupied housing demolished or converted to a use other than for low or moderate income housing, including reimbursement for actual and reasonable moving expenses, security deposits, credit checks, and other moving-related expenses, including any interim living costs; and, in the case of displaced persons of low and moderate income,

provide either:

- Compensation sufficient to ensure that, for a 5-year period, the displaced families shall not bear, after relocation, a ratio of shelter costs to income that exceeds 30 percent; or
  - If elected by a family, a lump-sum payment equal to the capitalized value of the benefits available under sub-clause (I) to permit the household to secure participation in a housing cooperative or mutual housing association:
  - Persons displaced shall be relocated into comparable replacement housing that is for:
    - decent, safe, and sanitary;
    - adequate in size to accommodate the occupants;
    - functionally equivalent; and
    - in an area not subject to unreasonably adverse environmental conditions.
6. Will not plan or attempt to recover any capital costs of public improvements assisted in whole or in part with CDBG funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (A) CDBG funds received are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than CDBG; or (B) for the purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of very low income, the grantee certifies to the State that it lacks sufficient funds received from the State to comply with the requirements of (A).
  7. Conduct and administer its program in conformity with the Civil Rights Act of 1964 and The Fair Housing Act.
  8. Complete a self-evaluation of its current policies and practices to determine whether they meet the requirements of Section 504 of the Rehabilitation Act of 1973 as amended and the HUD implementing regulations at 24 CFR Part 8.
  9. Comply with other provisions of Title I of the Act and other applicable federal and State laws and regulations. (A summary of many of the federal laws and regulations is contained in Appendix A.)

Finally, it should be noted that, to the greatest extent permitted by federal law and regulations, it is the State's intent that the local governments' monitoring and evaluation of projects be in accordance with program and financial oversight responsibilities to their citizens under State statutes and fiscal rules. Principal matters for monitoring and evaluation will be project progress, financial management, subcontracts, documentation, project benefit to low and moderate income persons, and compliance with federal and State laws and regulations. The State may require quarterly financial and program performance reports, a completion performance report and other reports. An audit is required. Information requested will serve to provide the State with a basis for evaluation of grantee performance. In addition, the reports will provide additional assurance of compliance with applicable federal and State laws and regulations.

## **VIII. Federal Laws and Regulations**

### ***APPLICABLE TO THE STATE-ADMINISTERED COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM***

**National Environmental Policy Act of 1969** (42 USC 4321 et seq.), as amended, and the implementing regulations of HUD (24 CFR Part 58) and of the Council on Environmental Quality (40 CFR Parts 1500 - 1508) providing for establishment of national policy, goals, and procedures for protecting, restoring and enhancing environmental quality.

**National Historic Preservation Act of 1966** (16 USC 470 et seq.), as amended, requiring consideration of the effect of a project on any district, site, building, structure or object that is included in or eligible for inclusion in the National Register of Historic Places.

**Executive Order 11593, Protection and Enhancement of the Cultural Environment**, May 13, 1971 (36 FR 8921 et seq.) requiring that federally-funded projects contribute to the preservation and enhancement of sites, structures and objects of historical, architectural or archaeological significance.

**The Archaeological and Historical Data Preservation Act of 1974**, amending the Reservoir Salvage Act of 1960 (16 USC 469 et seq.), providing for the preservation of historic and archaeological data that would be lost due to federally-funded development and construction activities.

**Executive Order 11988, Floodplain Management, May 24, 1977** (42 FR 26951 et seq.) prohibits undertaking certain activities in flood plains unless it has been determined that there is no practical alternative, in which case notice of the action must be provided and the action must be designed or modified to minimize potential damage.

**Flood Disaster Protection Act of 1973** (42 USC 4001), placing restrictions on eligibility and acquisition and construction in areas identified as having special flood hazards.

**Executive Order 11990, Protection of Wetlands, May 24, 1977** (42 FR 26961 et seq.) requiring review of all actions proposed to be located in or appreciably affecting a wetland. Undertaking or assisting new construction located in wetlands must be avoided unless it is determined that there is no practical alternative to such construction and that the proposed action includes all practical measures to minimize potential damage.

**Safe Drinking Water Act of 1974** (42 USC 201, 300 et seq., 7401 et seq.), as amended, prohibiting the commitment of federal financial assistance for any project which the Environmental Protection Agency determines may contaminate an aquifer which is the sole or principal drinking water source for an area.

**The Endangered Species Act of 1973** (16 USC 1531 et seq.), as amended, requiring that actions authorized, funded, or carried out by the federal government do not jeopardize the continued existence of endangered and threatened species or result in the destruction or modification of the habitat of such species which is determined by the Department of the Interior, after consultation with the State, to be critical.

**The Wild and Scenic Rivers Act of 1968** (16 USC 1271 et seq.), as amended, prohibiting federal assistance in the construction of any water resources project that would have a direct and adverse effect on any river included in or designated for study or inclusion in the National Wild and Scenic Rivers System.

**The Clean Air Act of 1970** (42 USC 1857 et seq.), as amended, requiring that federal assistance will not be given and that license or permit will not be issued to any activity not

conforming to the State implementation plan for national primary and secondary ambient air quality standards.

**HUD Environmental Criteria and Standards** (24 CFR Part 51), providing national standards for noise abatement and control, acceptable separation distances from explosive or fire prone substances, and suitable land uses for airport runway clear zones.

**Section 104(d) of the Housing and Community Development Act of 1974**, as amended (42 USC 5301), known as the "Barney Frank Amendment," and the HUD implementing regulations requiring that local grantees follow a residential anti-displacement and relocation assistance plan which provides for the replacement of all low/moderate income dwelling units that are demolished or converted to another use as a direct result of the use of CDBG funds, and which provides for relocation assistance for all low/moderate income households so displaced.

**Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970**, as amended -- Title III, Real Property Acquisition (Pub. L. 91-646 and HUD implementing regulations at 49 CFR Part 24), providing for uniform and equitable treatment of persons displaced from their homes, businesses, or farms by federal or federally-assisted programs and establishing uniform and equitable land acquisition policies for federal assisted programs. Requirements include bona fide land appraisals as a basis for land acquisition, specific procedures for selecting contract appraisers and contract negotiations, furnishing to owners of property to be acquired a written summary statement of the acquisition price offer based on the fair market price, and specified procedures connected with condemnation.

**Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970**, as amended -- Title II, Uniform Relocation Assistance (Pub. L. 91-646 and HUD implementing regulations at 49 CFR Part 24), providing for fair and equitable treatment of all persons displaced as a result of any federal or federally-assisted program. Relocation payments and assistance, last-resort housing replacement by displacing agency, and grievance procedures are covered under the Act. Payments and assistance will be made pursuant to State or local law, or the grant recipient must adopt a written policy available to the public describing the relocation payments and assistance that will be provided. Moving expenses and up to \$22,500 for each qualified homeowner or up to \$5,250 for each tenant are required to be paid.

**Davis-Bacon Fair Labor Standards Act** (40 USC 276a - 276a-5) requiring that, on all contracts and subcontracts which exceed \$2,000 for federally-assisted construction, alteration or rehabilitation, laborers and mechanics employed by contractors or subcontractors shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor. (This requirement applies to the rehabilitation of residential property only if such property is designed for use of eight or more families.)

Assistance shall not be used directly or indirectly to employ, award contracts to, or otherwise engage the services of, or fund any subcontractor or subrecipient during any period of debarment, suspension, or placement in ineligibility status under the provisions of 24 CFR Part 24.

**Contract Work Hours and Safety Standards Act of 1962** (40 USC 327 et seq.) requiring that mechanics and laborers employed on federally-assisted contracts which exceed \$2,000 be paid wages of not less than one and one-half times their basic wage rates for all hours worked in excess of forty in a work week.

**Copeland "Anti-Kickback" Act of 1934** (40 USC 276 (c)) prohibiting and prescribing penalties for "kickbacks" of wages in federally-financed or assisted construction activities.

**The Lead-Based Paint Poisoning Prevention Act -- Title IV** (42 USC 4831) prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with federal assistance, and requiring notification to purchasers and tenants of such housing of the hazards of lead-based paint and of the symptoms and treatment of lead-based paint poisoning.

**Section 3 of the Housing and Community Development Act of 1968** (12 USC 1701 (u)), as amended, providing that, to the greatest extent feasible, opportunities for training and employment that arise through HUD-financed projects, will be given to lower-income persons in the unit of the project area, and that contracts be awarded to businesses located in the project area or to businesses owned, in substantial part, by residents of the project area.

**Section 109 of the Housing and Community Development Act of 1974** (42 USC 5309), as amended, providing that no person shall be excluded from participation (including employment), denied program benefits or subjected to discrimination on the basis of race, color, national origin or sex under any program or activity funded in whole or in part under Title I (Community Development) of the Act.

**Title VI of the Civil Rights Act of 1964** (Pub. L. 88-352; 42 USC 2000 (d)) prohibiting discrimination on the basis of race, color, religion or religious affiliation, or national origin in any program or activity receiving federal financial assistance.

**The Fair Housing Act** (42 USC 3601-20), as amended, prohibiting housing discrimination on the basis of race, color, religion, sex, national origin, handicap and familial status.

**Executive Order 11246** (1965), as amended by Executive Orders 11375 and 12086, prohibiting discrimination on the basis of race, color, religion, sex or national origin in any phase of employment during the performance of federal or federally-assisted contracts in excess of \$2,000.

**Executive Order 11063** (1962), as amended by Executive Order 12259, requiring equal opportunity in housing by prohibiting discrimination on the basis of race, color, religion, sex or national origin in the sale or rental of housing built with federal assistance.

**Section 504 of the Rehabilitation Act of 1973** (29 USC 793), as amended, providing that no otherwise qualified individual shall, solely by reason of a handicap, be excluded from participation (including employment), denied program benefits or subjected to discrimination under any program or activity receiving federal funds.

**Age Discrimination Act of 1975**, (42 USC 6101), as amended, providing that no person shall be excluded from participation, denied program benefits or subjected to discrimination on the basis of age under any program or activity receiving federal funds.

**Armstrong/Walker "Excessive Force" Amendment**, (P.L. 101-144) & Section 906 of Cranston-Gonzalez Affordable Housing Act of 1990, requires that a recipient of HUD funds must certify that they have adopted or will adopt and enforce a policy prohibiting the use of excessive force by law enforcement agencies within their jurisdiction against individuals engaged in nonviolent civil rights demonstration; or fails to adopt and enforce a policy of enforcing applicable state and local laws against physically barring entrance to or exit from a

facility or location which is the subject of such non-violent civil rights demonstration within its jurisdiction.

**Government-wide Restriction on Lobbying**, (P.L. 101-121), prohibits spending CDBG funds to influence or attempt to influence federal officials; requires the filing of a disclosure form when non-CDBG funds are used for such purposes; requires certification of compliance by the state; and requires the state to include the certification language in grant awards it makes to units of general local government at all tiers and that all sub-recipients shall certify accordingly as imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to civil penalty of not less than \$10,000 and not more than \$100,000 for each failure.

**Department of Housing and Urban Development Reform Act of 1989** (24 CFR Part 12) requiring applicants for assistance for a specific project or activity from HUD, to make a number of disclosures if the applicant meets a dollar threshold for the receipt of covered assistance during the fiscal year in which an application is submitted. An applicant must also make the disclosures if it is requesting assistance from HUD for a specific housing project that involves assistance from other governmental sources.

**EXHIBIT B**  
Effective March 2004

MAXIMUM INCOMES FOR "LOW-INCOME" AND "MODERATE-INCOME" HOUSEHOLDS -- in current (2004) dollars  
(to be used only for CDBG projects funded under the 1988 and subsequent CDBG Program Guidelines)

**"Low Income"** is defined as being 50% of area median income. **"Moderate Income"** is defined as being 80% of area median income.

Persons whose current household incomes do not exceed these maximum income limits are considered to be low and moderate income (LMI) persons in the CDBG program. CDBG grantees and applicants whose projects involve the individual selection and qualification of beneficiaries based on their current incomes (as is the case in housing rehabilitation, job creation and other "direct benefit" projects) must use these income limits in determining whether beneficiaries are LMI persons. CDBG grantees and applicants using Department-approved surveys to obtain information on the current incomes of project beneficiaries must use these income limits to estimate the LMI benefit of project activities.

COUNTY	Type of Household	Household Size							
		1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
ADAMS COUNTY	Moderate Income	40150 25100	45900 28650	51600 32250	57350 35850	61950 38700	66550 41550	71150 44400	75700 47300
	Low Income								
ALAMOSA COUNTY	Moderate Income	30200 18850	34500 21550	38800 24250	43100 26950	46550 29100	50000 31250	53450 33400	56900 35550
	Low Income								
ARAPAHOE COUNTY	Moderate Income	40150 25100	45900 28650	51600 32250	57350 35850	61950 38700	66550 41550	71150 44400	75700 47300
	Low Income								
ARCHULETA COUNTY	Moderate Income	30200 18850	34500 21550	38800 24250	43100 26950	46550 29100	50000 31250	53450 33400	56900 35550
	Low Income								

BACA COUNTY	Moderate	30200	34500	38800	43100	46550	50000	53450	56900
	Income	18850	21550	24250	26950	29100	31250	33400	35550
BENT COUNTY	Low Income								
	Moderate	30200	34500	38800	43100	46550	50000	53450	56900
BOULDER COUNTY	Income	18850	21550	24250	26950	29100	31250	33400	35550
	Low Income								
BROOMFIELD COUNTY	Moderate	40600	46400	52200	58000	62650	67300	71900	76550
	Income	30450	34800	39150	43500	47000	50450	53950	57400
BROOMFIELD COUNTY	Low Income								
	Moderate	40150	45900	51600	57350	61950	66550	71150	75700
CHAFFEE COUNTY	Income	25100	28650	32250	35850	38700	41550	44400	47300
	Low Income								
CHEYENNE COUNTY	Moderate	30200	34500	38800	43100	46550	50000	53450	56900
	Income	18850	21550	24250	26950	29100	31250	33400	35550
CHEYENNE COUNTY	Low Income								
	Moderate	40100	45800	51550	57300	61850	66450	71050	75600
CLEAR CREEK COUNTY	Income	25050	28600	32200	35800	38650	41500	44350	47200
	Low Income								
CONEJOS COUNTY	Moderate	30200	34500	38800	43100	46550	50000	53450	56900
	Income	18850	21550	24250	26950	29100	31250	33400	35550
CONEJOS COUNTY	Low Income								



COUNTY	Type of Household	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
COSTILLA COUNTY	Moderate Income	30200 18850	34500 21550	38800 24250	43100 26950	46550 29100	50000 31250	53450 33400	56900 35550
	Low Income								
CROWLEY COUNTY	Moderate Income	30200 18850	34500 21550	38800 24250	43100 26950	46550 29100	50000 31250	53450 33400	56900 35550
	Low Income								
CUSTER COUNTY	Moderate Income	30200 18850	34500 21550	38800 24250	43100 26950	46550 29100	50000 31250	53450 33400	56900 35550
	Low Income								
DELTA COUNTY	Moderate Income	30200 18850	34500 21550	38800 24250	43100 26950	46550 29100	50000 31250	53450 33400	56900 35550
	Low Income								
DENVER COUNTY	Moderate Income	40150 25100	45900 28650	51600 32250	57350 35850	61950 38700	66550 41550	71150 44400	75700 47300
	Low Income								
DOLORES COUNTY	Moderate Income	30200 18850	34500 21550	38800 24250	43100 26950	46550 29100	50000 31250	53450 33400	56900 35550
	Low Income								
DOUGLAS COUNTY	Moderate Income	40150 25100	45900 28650	51600 32250	57350 35850	61950 38700	66550 41550	71150 44400	75700 47300
	Low Income								
EAGLE COUNTY	Moderate Income	40600 28000	46400 32000	52200 36000	58000 40000	62650 43150	67300 46350	71900 49550	76550 52750
	Low Income								
ELBERT COUNTY	Moderate Income	40600 29100	46400 33250	52200 37400	58000 41550	62650 44850	67300 48200	71900 51500	76550 54850
	Low Income								
EL PASO COUNTY	Moderate Income	35500 22200	40600 25350	45650 28550	50700 31700	54800 34250	58850 36750	62900 39300	66950 41850
	Low Income								

FREMONT COUNTY	Moderate	30200	34500	38800	43100	46550	50000	53450	56900
	Income	18850	21550	24250	26950	29100	31250	33400	35550
GARFIELD COUNTY	Low Income								
	Moderate	35400	40450	45500	50550	54600	58650	62700	66750
GILPIN COUNTY	Income	22100	25300	28450	31600	34150	36650	39200	41700
	Low Income								
GRAND COUNTY	Moderate	40600	46400	52200	58000	62650	67300	71900	76550
	Income	28600	32700	36750	40850	44100	47400	50650	53900
GUNNISON COUNTY	Low Income								
	Moderate	36450	41650	46850	52100	56250	60400	64600	68750
HINSDALE COUNTY	Income	22800	26050	29300	32550	35150	37750	40350	42950
	Low Income								
HINSDALE COUNTY	Moderate	34200	39100	44000	48900	52800	56700	60600	64500
	Income	21400	24450	27500	30550	33000	35450	37900	40350
HINSDALE COUNTY	Low Income								
	Moderate	30200	34500	38800	43100	46550	50000	53450	56900
	Income	18850	21550	24250	26950	29100	31250	33400	35550
	Low Income								

COUNTY	Type of Household	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
HUERFANO COUNTY	Moderate Income	30200 18850	34500 21550	38800 24250	43100 26950	46550 29100	50000 31250	53450 33400	56900 35550
	Low Income								
JACKSON COUNTY	Moderate Income	30200 18850	34500 21550	38800 24250	43100 26950	46550 29100	50000 31250	53450 33400	56900 35550
	Low Income								
JEFFERSON COUNTY	Moderate Income	40150 25100	45900 28650	51600 32250	57350 35850	61950 38700	66550 41550	71150 44400	75700 47300
	Low Income								
KIOWA COUNTY	Moderate Income	30200 18850	34500 21550	38800 24250	43100 26950	46550 29100	50000 31250	53450 33400	56900 35550
	Low Income								
KIT CARSON COUNTY	Moderate Income	30200 18850	34500 21550	38800 24250	43100 26950	46550 29100	50000 31250	53450 33400	56900 35550
	Low Income								
LAKE COUNTY	Moderate Income	30200 18850	34500 21550	38800 24250	43100 26950	46550 29100	50000 31250	53450 33400	56900 35550
	Low Income								
LA PLATA COUNTY	Moderate Income	33250 20800	38000 23750	42750 26750	47500 29700	51300 32100	55100 34450	58900 36850	62750 39200
	Low Income								
LARIMER COUNTY	Moderate Income	38750 24200	44300 27700	49800 31150	55350 34600	59800 37350	64200 40150	68650 42900	73100 45650
	Low Income								
LAS ANIMAS COUNTY	Moderate Income	30200 18850	34500 21550	38800 24250	43100 26950	46550 29100	50000 31250	53450 33400	56900 35550
	Low Income								
LINCOLN COUNTY	Moderate Income	30200 18850	34500 21550	38800 24250	43100 26950	46550 29100	50000 31250	53450 33400	56900 35550
	Low Income								

LOGAN COUNTY	Moderate	30200	34500	38800	43100	46550	50000	53450	56900
	Income	18850	21550	24250	26950	29100	31250	33400	35550
MESA COUNTY	Low Income								
	Moderate	30200	34500	38800	43100	46550	50000	53450	56900
	Income	18850	21550	24250	26950	29100	31250	33400	35550
MINERAL COUNTY	Low Income								
	Moderate	30200	34500	38800	43100	46550	50000	53450	56900
	Income	18850	21550	24250	26950	29100	31250	33400	35550
MOFFAT COUNTY	Low Income								
	Moderate	30200	34500	38800	43100	46550	50000	53450	56900
	Income	18850	21550	24250	26950	29100	31250	33400	35550
MONTEZUMA COUNTY	Low Income								
	Moderate	30200	34500	38800	43100	46550	50000	53450	56900
	Income	18850	21550	24250	26950	29100	31250	33400	35550
MONTROSE COUNTY	Low Income								
	Moderate	30200	34500	38800	43100	46550	50000	53450	56900
	Income	18850	21550	24250	26950	29100	31250	33400	35550
	Low Income								

COUNTY	Type of Household	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
MORGAN COUNTY	Moderate Income	30200 18850	34500 21550	38800 24250	43100 26950	46550 29100	50000 31250	53450 33400	56900 35550
	Low Income								
OTERO COUNTY	Moderate Income	30200 18850	34500 21550	38800 24250	43100 26950	46550 29100	50000 31250	53450 33400	56900 35550
	Low Income								
OURAY COUNTY	Moderate Income	33300 20850	38100 23800	42850 26800	47600 29750	51400 32150	55200 34500	59000 36900	62850 39250
	Low Income								
PARK COUNTY	Moderate Income	37600 23450	42950 26800	48300 30150	53700 33550	57950 36200	62250 38900	66550 41550	70850 44250
	Low Income								
PHILLIPS COUNTY	Moderate Income	30200 18850	34500 21550	38800 24250	43100 26950	46550 29100	50000 31250	53450 33400	56900 35550
	Low Income								
PITKIN COUNTY	Moderate Income	41450 34150	47350 39050	53300 43900	59200 48800	63950 52700	68650 56600	73400 60500	78150 64400
	Low Income								
PROWERS COUNTY	Moderate Income	30200 18850	34500 21550	38800 24250	43100 26950	46550 29100	50000 31250	53450 33400	56900 35550
	Low Income								
PUEBLO COUNTY	Moderate Income	30200 18850	34500 21550	38800 24250	43100 26950	46550 29100	50000 31250	53450 33400	56900 35550
	Low Income								
RIO BLANCO COUNTY	Moderate Income	30200 18850	34500 21550	38800 24250	43100 26950	46550 29100	50000 31250	53450 33400	56900 35550
	Low Income								
RIO GRANDE COUNTY	Moderate Income	30200 18850	34500 21550	38800 24250	43100 26950	46550 29100	50000 31250	53450 33400	56900 35550
	Low Income								

ROUTT COUNTY	Moderate	40600	46400	52200	58000	62650	67300	71900	76550
	Income	25450	29100	32700	36350	39250	42150	45050	48000
SAGUACHE COUNTY	Low Income								
	Moderate	30200	34500	38800	43100	46550	50000	53450	56900
	Income	18850	21550	24250	26950	29100	31250	33400	35550
SAN JUAN COUNTY	Low Income								
	Moderate	30200	34500	38800	43100	46550	50000	53450	56900
	Income	18850	21550	24250	26950	29100	31250	33400	35550
SAN MIGUEL COUNTY	Low Income								
	Moderate	39950	45650	51350	57050	61600	66150	70750	75300
	Income	24950	28500	32100	35650	38500	41350	44200	47050
SEDGWICK COUNTY	Low Income								
	Moderate	30200	34500	38800	43100	46550	50000	53450	56900
	Income	18850	21550	24250	26950	29100	31250	33400	35550
SUMMIT COUNTY	Low Income								
	Moderate	40600	46400	52200	58000	62650	67300	71900	76550
	Income	27400	31350	35250	39200	42300	45450	48600	51700
TELLER COUNTY	Low Income								
	Moderate	37600	42950	48300	53700	57950	62250	66550	70850
	Income	23500	26850	30200	33550	36250	38900	41600	44300
WASHINGTON COUNTY	Low Income								
	Moderate	30200	34500	38800	43100	46550	50000	53450	56900
	Income	18850	21550	24250	26950	29100	31250	33400	35550
WELD COUNTY	Low Income								
	Moderate	32650	37300	42000	46650	50350	54100	57850	61550
	Income	20400	23300	26200	29150	31450	33800	36100	38450
YUMA COUNTY	Low Income								
	Moderate	30200	34500	38800	43100	46550	50000	53450	56900
	Income	18850	21550	24250	26950	29100	31250	33400	35550
	Low Income								

## **X. DEFINITIONS - SLUMS AND BLIGHT**

### **State Statutory Definitions**

"Slum area" means an area in which there is a predominance of buildings or improvements, whether residential or nonresidential, and which, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire or other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime and is detrimental to the public health, safety, morals, or welfare. (31-25-103 C.R.S., 1973, as amended.)

"Blighted area" means an area which, by reason of the presence of a substantial number of slum, deteriorated, or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility, or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, unusual topography, defective or unusual conditions of title rendering the title non-marketable, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations or constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare in its present condition and use. (31-15-103 C.R.S., 1973, as amended)

### **Federal Regulatory Definitions and Clarifications**

Activities meeting the following criteria, in the absence of substantial evidence to the contrary, will be considered to aid in the prevention or elimination of slums or blight:

1. Activities to address slums or blight on an area basis. An activity will be considered to address prevention or elimination of slums or blight in an area if:

- The area, delineated by the grantee, meets a definition of a slum, blighted, deteriorated or deteriorating area under State or local law;
- Throughout the area there is a substantial number of deteriorated or deteriorating buildings or the public improvements are in a general state of deterioration;
- Documentation is maintained by the grantee on the boundaries of the area and the condition which qualified the area at the time of its designation; and
- The assisted activity addresses one or more of the conditions that contributed to the deterioration of the area.

Rehabilitation of residential buildings carried out in an area meeting the above requirements will be considered to address the area's deterioration only where each such building rehabilitated is considered substandard under local definition before rehabilitation, and all deficiencies making a building substandard have been eliminated if less critical work on the building is undertaken. At a minimum, the local definition for this purpose must be such that buildings that it would

render substandard would also fail to meet the housing quality standards for the Section 8 Housing Assistance Payments Program-Existing Housing (24 CFR 882.109).

2. Activities to address slums or blight on a spot basis. Acquisition, clearance, relocation, historic preservation and building rehabilitation activities that eliminate specific conditions of blight or physical decay on a spot basis not located in a slum or blighted area will meet this objective. Under this criterion, rehabilitation is limited to the extent necessary to eliminate specific conditions detrimental to public health and safety.

## **XI. ELIGIBLE ACTIVITIES**

Eligible activities and services under the Community Development Block Grant (CDBG) Program are those which:

- are consistent with the stated program goal and objectives; and
- are included as eligible activities under Section 105 of Title I of the Housing and Community Development Act of 1974 (the "Act"), as amended, and are otherwise eligible under other sections of Title I and under detailed federal regulations.

The following list of eligible activities is excerpted from Section 105(a) of Title I of the Act. (Emphasis has been added to facilitate its use.) HUD regulations further define and specify activities and services eligible under the CDBG program.

- (1) the acquisition of real property (including air rights, water rights, and other interests therein) which is
  - (A) blighted, deteriorated, deteriorating, underdeveloped, or inappropriately developed from the standpoint of sound community development and growth;
  - (B) appropriate for rehabilitation or conservation activities;
  - (C) appropriate for the preservation or restoration of historic sites, the beautification of urban land, the conservation of open spaces, natural resources, and scenic areas, the provision of recreational opportunities, or the guidance of urban development;
  - (D) to be used for the provision of public works, facilities, and improvements eligible for assistance under this title; or
  - (F) to be used for other public purposes;
- (2) the acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction, or installation which promote energy efficiency) of public works, facilities (except buildings for the general conduct of government), and site or other improvements;
- (3) code enforcement in deteriorated or deteriorating areas in which such enforcement, together with public or private improvements or services to be provided, may be expected to arrest the decline of the area;



- (4) clearance, demolition, removal, and rehabilitation (including rehabilitation which promotes energy efficiency) of buildings and improvements (including interim assistance, and financing public or private acquisition for rehabilitation, and rehabilitation of privately-owned properties and including the renovation of closed school buildings);
- (5) special projects directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly and handicapped persons;
- (6) payments to housing owners for losses of rental income incurred in holding for temporary periods housing units to be utilized for the relocation of individuals and families displaced by activities under this title;
- (7) disposition (through sale, lease, donation, or otherwise) of any real property acquired pursuant to this title or its retention for public purposes;
- (8) provisions of public services, including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, homeless assistance, energy conservation, welfare or recreation needs, if such services have not been provided by the unit of general local government (through funds raised by such unit, or received by such unit from the State in which it is located) during any part of the twelve-month period immediately preceding the date of submission of the statement with respect to which funds are to be made available under this title, and which are to be used for such services, unless the Secretary finds that the discontinuation of such services was the result of events not within the control of the unit of general local government, except that not more than 15 percent of the amount of any assistance to a unit of general local government under this title may be used for activities under this paragraph unless such unit of general local government (or in the case of non-entitled communities not more than 15 percent statewide) used more than 15 percent of the assistance received under this title including program income for the previous fiscal year for such activities (excluding any assistance received pursuant to Public Law 98-8), in which case such unit of general local government may not use more than the percentage or amount of such assistance used for such activities for such fiscal year, whichever method of calculation yields the higher amount;
- (9) payment of the non-federal share required in connection with a federal grant-in-aid program undertaken as part of activities assisted under this title;
- (10) payment of the cost of completing a project funded under Title I of the Housing Act of 1949;

- (11) relocation payments and assistance for displaced individuals, families, businesses, organizations, and farm operations, when determined by the grantee to be appropriate;
- (12) activities necessary
  - (A) to develop a comprehensive community development plan, and
  - (B) to develop a policy-planning-management capacity so that the recipient of assistance under this title may more rationally and effectively
    - (i) determine its needs,
    - (ii) set long-term goals and short-term objectives,
    - (iii) devise programs and activities to meet these goals and objectives,
    - (iv) evaluate programs and activities of such programs in accomplishing these goals and objectives, and
    - (v) carry out management, coordination, and monitoring of activities necessary for effective planning implementation;
- (13) payment of reasonable administrative costs related to establishing and administering federally approved enterprise zones and payment of reasonable administrative costs and carrying charges related to planning and execution of community development and housing activities, including the provision of information and resources to residents of areas in which community development and housing activities are to be concentrated with respect to the planning and execution of such activities, and including the carrying out of activities as described in section 701(e) of the Housing Act of 1954 on the date prior to the date of enactment of the Housing and Community Development Amendments of 1981;
- (14) provision of assistance including loans (both interim and long term) and grants for activities which are carried out by public or private nonprofit entities, including:
  - (A) acquisition of real property;
  - (B) acquisition, construction, reconstruction, rehabilitation, or installation of
    - (i) public facilities (except for buildings for the general conduct of government), site improvements, and utilities, and
    - (ii) commercial or industrial buildings or structures and other commercial or industrial real property improvements; and
  - (C) planning;

- (14) assistance to neighborhood-based nonprofit organizations, local development corporations, nonprofit organizations serving the development needs of the communities of non-entitlement areas, or entities organized under section 301(d) of the Small Business Investment Act of 1958 to carry out neighborhood revitalization or community economic development or energy conservation project in furtherance of the objectives of section 101(c), and assistance to neighborhood-based nonprofit organizations, or other private or public nonprofit organizations, for the purpose of assisting, as part of neighborhood revitalization or other community development, the development of shared housing opportunities (other than construction of new facilities) in which elderly families (as defined in section 3(b)(3) of the United States' Housing Act of 1937) benefit as a result of living in a dwelling in which the facilities are shared with others in a manner that effectively and efficiently meets the housing needs of the residents and thereby reduces their cost of housing;
- (16) activities necessary to the development of energy use strategies, related to recipient's development goals, to assure that those goals are achieved with maximum energy efficiency, including items such as:
  - (A) an analysis of the manner in, and the extent to, which energy conservation objectives will be integrated into local government operations, purchasing and service delivery, capital improvements budgeting, waste management, district heating and cooling, land use planning and zoning, and traffic control, parking, and public transportation functions; and
  - (B) a statement of the actions the recipient will take to foster energy conservation and the use of renewable energy resources in the private sector, including the enactment and enforcement of local codes and ordinances to encourage or mandate energy conservation or use of renewable energy resources, financial and other assistance to be provided (principally for the benefit of low- and moderate-income persons) to make energy conserving improvements to residential structures, and any other proposed energy conservation activities.
- (17) provision of assistance to private, for-profit entities, when the assistance is appropriate to carry out an economic development project (that shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods) that-
  - (A) creates or retains jobs for low- and moderate-income persons;
  - (B) prevents or eliminates slums and blight;

- (C) meets urgent needs;
  - (D) creates or retains businesses owned by community residents;
  - (E) assists businesses that provide goods or services needed by, and affordable to, low- and moderate-income residents; or
  - (F) provides technical assistance to promote any of the activities under (A) through (E).
- (18) the rehabilitation or development of housing assisted under Section 17 of the United States' Housing Act of 1937.
- (19) provision of assistance to facilitate substantial reconstruction of housing owned and occupied by low and moderate income persons
- (A) where the need for the reconstruction was not determinable until after rehabilitation under this section had already commenced, or
  - (B) where the reconstruction is part of a neighborhood rehabilitation effort and the grantee
    - (i) determines the housing is not suitable for rehabilitation, and
    - (ii) demonstrates to the satisfaction of the Secretary that the cost of substantial reconstruction is significantly less than the cost of new construction and less than the fair market value of the property after substantial reconstruction.
- (20) provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities, which assistance shall not be considered a planning cost as defined in paragraph (12) or administrative cost as defined in paragraph (13).
- (21)
- (A) housing services, such as housing counseling, energy auditing, preparation of work specifications, loan processing, inspections, tenant selection, management of tenant-based rental assistance, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in housing activities authorized under this section, or under Title II of the Cranston-Gonzalez National Affordable Housing Act, except that activities under this paragraph shall be subject to any limitation on administrative expenses imposed by any law;
  - (B) lead-based paint evaluation and reduction as defined in Section 1004 of the Residential Lead-Based Paint Hazard reduction Act of 1992.

- (22) provision of assistance by recipients under this Title to institutions of higher education having a demonstrated capacity to carry-out eligible activities under this subsection for carrying out such activities.
- (23) provision of assistance to public or private organizations, agencies, and other entities (including nonprofit and for-profit entities) to enable such entities to facilitate economic development by-
  - (A) providing credit (including providing direct loans and loan guarantees, establishing revolving loan funds, and facilitating peer lending programs) for the establishment, stabilization, and expansion of microenterprises;
  - (B) providing technical assistance, advise, and business support services (including assistance, advise, and support relating to developing business plans, securing funding, conducting marketing, and otherwise engaging in microenterprise activities) to owners of microenterprises and persons developing microenterprises; and
  - (C) providing general support (such as peer support programs and counseling) to owners of microenterprises and persons developing microenterprises.
- (24) activities necessary to make essential repairs and to pay operating expenses necessary to maintain the habitability of housing units acquired through tax foreclosure proceedings in order to prevent abandonment and deterioration of such housing in primarily low and moderate income neighborhoods; and
- (25) provision of direct assistance to facilitate and expand home ownership among persons of low and moderate income (except that such assistance shall not be considered a public service for purposes of paragraph 8) by using such assistance to-
  - (A) subsidize interest rates and mortgage principal amounts for low and moderate income homebuyers;
  - (B) finance the acquisition by low and moderate income homebuyers of housing that is occupied by the homebuyers;
  - (C) acquire guarantees for mortgage financing obtained by low and moderate income homebuyers from private lenders (except that amounts received under this title may not be used under this subparagraph to directly guarantee such mortgage financing and grantees under this title may not directly provide such guarantees);

- (D) provide up to 50 percent of any down payment required from low and moderate income homebuyer; or
  - (E) pay reasonable closing costs (normally associated with the purchase of a home) incurred by low- and moderate-income homebuyers.
- (26) provision of direct assistance to facilitate homeless services including operations, essential services and homeless prevention.

The following is a provision affecting activity eligibility excerpted from Section 105 of Title I of the Act. (Section 105(d) was added to the Act by amendments enacted in 1983. Section 105(d) was added to the Act by amendments enacted in 1992.)

- (1) In any case in which an assisted activity described in paragraph (14) or (17) of subsection 105(a) is identified as principally benefiting persons of low and moderate income, such activity shall:
  - (A) be carried out in a neighborhood consisting predominantly of persons of low and moderate income and provide services for such persons; or
  - (B) involve facilities designed for use predominantly by persons of low and moderate income; or
  - (C) involve employment of persons, a majority of whom are persons of low and moderate income.
  - (D) for purposes of subsection (c)(1)(C):
    - (1) if an employee resides in, or the assisted activity through which he or she is employed, is located in a census tract that meets the federal enterprise zone eligibility criteria, the employee shall be presumed to be a person of low and moderate income; or
    - (2) if an employee resides in a census tract where not less than 70 percent of the residents have incomes at or below 80 percent of the area median, the employee shall be presumed to be a person of low and moderate income.
- (2) In any case in which an assisted activity described in subsection 105(a) is designed to serve an area generally and is clearly designed to meet identified needs of persons of low and moderate income in such area, such activity shall be considered to principally benefit persons of low and moderate income if not less than 51 percent of the residents of such area are persons of low and moderate income.

- (3) Any assisted activity under this title that involves the acquisition or rehabilitation of property to provide housing shall be considered to benefit persons of low and moderate income only to the extent such housing will, upon completion, be occupied by such persons.

The following is a provision affecting assistance to for-profit entities excerpted from Section 105(f) of Title I of the Act. (Section 105(f) was added to the Act by amendments enacted in 1992.)

In any case in which an activity described in paragraph (17) of subsection (A) is provided assistance such assistance shall not be limited to activities for which no other forms of assistance are available or could not be accomplished but for that assistance.

The following is a provision affecting micro-enterprise and small business program requirements excerpted from Section 105(g) of Title I of the Act. (Section 105(g) was added to the Act by amendments enacted in 1992.)

In developing program requirements and providing assistance pursuant to paragraph (17) of subsection (A) to micro-enterprise or small business, the Secretary shall:

- (1) take into account the special needs and limitations arising from the size of the entity; and
- (2) not consider training, technical assistance, or other support services costs provided to small business or microenterprises or to grantees and subgrantees to develop the capacity to provide such assistance, as a planning cost pursuant to section 105(a)(12) or an administrative cost pursuant to section 105(a)(13).

The following is a provision affecting activity eligibility excerpted from Section 104(b)(5) of Title I of the Act. (Section 104(b)(5) was added to the Act by amendments enacted in 1983.)

The grantee will not attempt to recover any capital costs of public improvements assisted in whole or part (with CDBG) funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless:

- (A) funds received (from the CDBG program) are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or

- (B) for the purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of (low) income, the grantee certifies to the (State) that it lacks sufficient funds received under (the CDBG program) to comply with the requirements of subparagraph (A).

The following is a provision affecting lump-sum payments excerpted from Section 104(h) of Title I of the Act. (Section 104(h) was amended by the Cranston-Gonzalez National Affordable Housing Act of 1990.)

“Units of general local government receiving assistance under this title may receive funds, in one payment, in an amount not to exceed the total amount designated in the grant (or, in the case of a unit of general local government receiving a distribution from a State pursuant to section 106(d), not to exceed the total amount of such distribution) for use in establishing a revolving loan fund which is to be established in a private financial institution which is to be used to finance rehabilitation activities assisted under this title. Rehabilitation activities authorized under this section shall begin within 45 days after receipt of such payment and substantial disbursements from such fund must begin within 180 days after receipt of such payment.”

The following is a provision affecting program income excerpted from Section 104(j) of Title I of the Act. (Section 104(j) was amended per the 1992 Housing and Community Development Act.)

“Notwithstanding any other provision of law, any unit of general local government may retain any program income that is realized from any grant distributed by a state, under section 106 if (1) such income was realized after the initial disbursement of the funds received by such unit of general local government under such section; and (2) it will utilize the program income for eligible community development activities in accordance with the provisions of this title. A state may require as a condition of any amount distributed by such state under section 106(d) that a unit of general local government shall pay to such state any such income to be used by such state to fund additional eligible community development activities, except that such state shall waive such condition to the extent such income is applied to continue the activity from which such income was derived, except that the Secretary may, by regulation, exclude from consideration as program income any amounts determined to be so small that compliance with this subsection creates an unreasonable administrative burden on the unit of general local government.”

The following is a provision affecting Section 108 Loan Guarantee Authority excerpted from Section 108(d) of Title I of the Act. (Section 108(d)(2) of the Act was amended by the Cranston-Gonzalez National Affordable Housing Act of 1990.)



“To assist in assuring the repayment of notes or other obligations and charges incurred under this section, a State shall pledge any grant for which the State may become eligible under this title as security for notes or other obligations and charges issued under this section by any unit of general local government in a non-entitlement area of the State.”

# OTHER ACTION STEPS 2006-2007

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## Anti-Poverty Strategy

Based on the latest available U.S. Census reports, the number of people with incomes below the poverty line in Colorado was 388,952 in 2000, or 9.3% of the state's population. The number of persons living in poverty in Colorado has declined over the past decade. In 1990, the number was 375,214, which comprised 11.7% of the population. Since 1990, Colorado, like many other states, has changed its anti-poverty strategies to incorporate the changes brought about by the change in federal welfare programs.

In 1996, federal welfare reform legislation required each county in Colorado to design a plan to administer the federally funded Temporary Aid for Needy Families (TANF). These plans were required to include the county anti-poverty strategies on TANF planning, organizational restructuring, staff development, work requirements, work activities, good cause exemptions, sanctions and appeals processes.

Although each county has the ability to design how it will administer TANF funds, one thing is certain: successful welfare reform is highly dependent upon the TANF households receiving job training, housing, childcare, transportation, family health care, educational support and continuous employment. Providing training and employment opportunities to TANF recipients has been a challenge for many counties, especially those with limited job availability.

The Colorado Works caseload declined from approximately 26,700 in July 1997 to 15,560 in May 2005, a 41% decline. Although Colorado's sluggish economy in recent years has resulted in a caseload increase of 33 percent from May 2001 through May 2005, the rate of increase is slowing. Although there was a two percent caseload increase between May 2003 and May 2004, the caseload has remained constant at this level between May 2004 and May 2005. Since the implementation of Colorado Works, the one-parent caseload has declined significantly. However, child only cases, which have remained stable, are increasing as a share of the total Colorado Works caseload. Child-only cases may include children with a disabled parent receiving Supplemental Security Income, children of undocumented immigrants, or children in kinship foster care.

In accordance with federal requirements, Colorado Works imposes a 60-month cumulative lifetime limit on the receipt of basic cash assistance and requires

most adult recipients to be in a work activity within 24 months of being deemed job-ready<sup>7</sup>.

Coordination of supportive services seems to be the key factor to assist families in escaping poverty. Federal agencies such as the Departments of Agriculture, Education, Health and Human Services, and Housing and Urban and Development are requesting that state departments plan and coordinate their supportive service programs and create a unified plan for requesting future block grant federal funding. In addition, local governments and non-profits are required to coordinate supportive services in their local areas in order to apply for new program funding. The coordinated effort of linking job training, education, employment opportunities, childcare, transportation, housing and food stamp benefits, it is hoped, will enable poverty stricken families to receive a full benefits package to assist them in getting off the welfare rolls.

Beyond the efforts to improve coordination, the Division has taken the lead in funding programs that can become models for communities throughout Colorado. Because the Division's funding is primarily discretionary, it is used as the catalyst for other supportive housing efforts. The Division of Housing can finance hard assets such as housing construction or rehabilitation, or soft costs such as rental subsidies. The direct impact of housing development is quality housing and additional construction jobs for a community.

Colorado Housing Finance Authority (CHFA) is also exploring ways of to provide low-interest and no-interest loans for housing development that serves families at 30% of AMI. The Division and CHFA, as well as other housing fund agencies, often coordinate their funding in order to make affordable housing projects successful. CHFA and CDH are also working in a collaborative manner to preserve affordable housing projects that have financial problems due to the economic slow down and resultant vacancy issues and intense market competition.

CDH received \$100,000 in Housing Development Grant funds for State fiscal year 2005. It is unknown to what extent the state legislature will allocate such funding in the future. When available, these state funds are the most flexible of the Division's funding, and allow tailored community solutions to help ensure that the poorest families in Colorado have an increasing supply of rental units affordable to them.

The Division believes that supportive services linked to housing are key to assisting families in escaping poverty. State agencies and organizations, including the Division of Housing (CDH), Supportive Housing and Homeless Programs (SHHP) and the Colorado Interagency Council on Homelessness are working to better link housing for low-income residents and for homeless persons who are working but coming out of shelters, with services that lead to

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<sup>7</sup> Colorado Department of Human Services, Fact Sheet July 2005

independence. These services such as job training, education, employment opportunities, childcare, transportation, housing and food stamp benefits will assist poverty-stricken families in achieving economic self-sufficiency.

A primary housing program that is designed to reduce dependency on public assistance is the Section 8 Family Self-Sufficiency (FSS) program. This program provides a framework and time line for reducing dependency on public assistance and is administered by the Colorado Division of Housing and Department of Human Services, Supportive Housing and Homeless Programs. It is offered locally by nonprofit housing agencies, housing authorities and service providers.

- ❖ The Colorado Division of Housing currently works with 11 FSS programs in Colorado and provides approximately \$60,000 to fund FSS-related staff. Between 125 and 140 families participate in the program. 70 families have current escrow accounts in various communities with the Division, and 126 individuals have successfully graduated.
- ❖ Many of the Division Section 8 contractors who administer the FSS programs have developed innovative ways to provide support to the families they serve. Two agencies have developed revolving emergency loan programs so that when a family is in need of funds for necessities, they can take out a low- or no-interest loan. One agency provides \$25 to \$50 incentives when an FSS client completes a GED, vocational or college course. Other innovative approaches exist.
- ❖ SHHP currently partners with seven local service providers in Colorado to provide an FSS program to 37 persons with disabilities and formerly homeless families. Seventeen families and individuals have current escrow accounts in various communities with SHHP, and 15 persons with disabilities have successfully graduated.

The Division of Housing also operates a Housing Choice Voucher Special Needs Program to coordinate organizations that provide supportive services. This program offers rental assistance to 75 families through the Homeless with Substance Abuse initiative. Five hundred disabled families receive rental assistance through independent living centers. Forty families receive assistance through the Colorado AIDS project; and 100 families in the Families Unification Program receive rental assistance, as well as 167 families who are homeless or at the risk of being homeless.

Although it is not a CDH program, it is important to note that the Department of Human Services (DHS) Supportive Housing and Homeless programs (SHHP) administers a Section 8 rental subsidy for persons with disabilities and homeless families. SHHP partners with 60 local mental health centers, developmental disabilities service providers, independent living centers, homeless service providers, and county departments of human services to provide housing to persons with special needs. SHHP administers 2994 Section 8 vouchers for the

special needs population, and 251 Shelter Plus Care vouchers for previously homeless persons with disabilities. Included in the SHHP programs are the following projects for special populations:

- ❖ 170 units for the Section 8 Welfare-to-Work program
- ❖ 100 Family Unification program vouchers for youth aging out of foster care,
- ❖ 50 Project Access vouchers to assist younger persons with disabilities in moving from institutions into the community;
- ❖ 50 Veterans Administration Supportive Housing vouchers that provide permanent housing to homeless veterans.

## **Institutional Structure - Housing**

### **PUBLIC INSTITUTIONS**

#### **State of Colorado, Department of Local Affairs.**

**Division of Housing** coordinates the state's affordable housing efforts and works to foster cooperation between private enterprise and local, state and federal governments. Its goal is to facilitate construction, acquisition and rehabilitation of affordable housing units, particularly for lower income households. The Division is responsible for enforcement of the federal Manufactured Home Construction and Safety Standards for all manufactured homes built in the state. It provides both technical assistance and direct financial support to local governments and non-profit agencies through the following programs:

- ❖ State Housing Development Grant Program;
- ❖ State Revolving Loan Fund;
- ❖ Federal "Small Cities" Community Development Block Grant Housing Program;
- ❖ Federal Home Investment Partnership Program;
- ❖ Private Activity Bond Program;
- ❖ Federal Permanent Housing for the Handicapped Homeless Program;
- ❖ Emergency Shelter Grant Program (ESG);
- ❖ Housing Opportunities for Persons with AIDS (HOPWA)

The Community Housing Assistance Section staff are assigned specific regions of the state, and field offices are located in Grand Junction and Pueblo and a new housing field office may be opened in Loveland. This section works with local communities to identify housing needs; assists in identifying the type, cost, location and number of housing units needed in the community); assemble a housing development team; works with community to create a housing development project team; and helps secure private and public funding for the community's housing project.

In addition, the Division of Housing manages the statewide balance of Private Activity Bond allocation, which is accessed by application to the Department of Local Affairs. A Bond Allocation Committee of eight members appointed by the

Governor reviews application and advises the Executive Director on specific allocation proposals.

The **State Housing Board**, whose seven members are appointed by the Governor, serves as an advisory unit to the Division and the Governor. The Board meets monthly to review and recommend funding decisions on housing applications for the various funding programs administered by the Division, passes regulations for manufactured structures, and adopts building codes for multifamily housing in counties with no codes.

**Division of Local Government** administers three programs that directly and indirectly affect statewide housing efforts.

- ❖ The *Impact Assistance* program provides grants for the planning, construction and maintenance of public facilities and the provision of public services. Loans, in addition to grants, are available for water and wastewater projects. Eligible recipients are municipalities, counties, school districts, special districts and other political subdivisions socially or economically impacted by the development, processing or energy conversion of minerals and mineral fuels.
- ❖ The *"Small Cities" Community Development Block Grant* program, which provides grants for public facility projects.
- ❖ Through the *Enterprise Zone* program, the department designates certain economically-distressed areas of the state as Enterprise Zones. Businesses may qualify for special state tax incentives to encourage job creation and investment in these zones.

**Division of Local Government** functions as the outreach arm of the department. The staff, located in the eight field areas, works with local clients to define needs; identify and develop response capacity; coordinate the delivery of department services; provide follow-up with evaluation of services and project effectiveness; and serve as advocate for both local government clients and for department agencies.

Denver-based staff works to build independent local government capacity through a variety of general government and community development services and provides or arranges some financing.

- ❖ *Technical Services*, in coordination with Field Services, provides a broad range of specialized technical assistance, training, and published materials to enhance administrative capabilities for local governing entities. These services include budgeting and financial management; capital improvement and land use planning; purchasing; environmental matters; water and sewer financing and operations; and financial capacity research and analysis.

- ❖ *Demography* provides demographic and economic information, assistance and coordination to public and private organizations. Services include all decennial census data; general and special population estimates and projections; cooperative programs with the U.S. Bureau of the Census; and special economic and demographic analysis and development projects.

## **State of Colorado, Department of Human Services.**

**Mental Health Services** provides public mental health services for persons with serious mental illness of all ages, delivering those services through contracts with six specialty clinics and 17 private, nonprofit community mental health centers. The services provided include inpatient treatment, emergency services, case management, in-home family preservation, day services, residential support services, peer/family support, and public education. Two state mental health institutes at Pueblo and Fort Logan provide inpatient hospitalization for Colorado residents with serious mental illness. These institutions function as part of the integrated public mental health system with policy direction and program, monitoring provided by the Division of Mental Health. Mental Health Assessment and Services Agencies (MHASAs) are the newest component of Colorado's public mental health system. Presently, there are eight MHASAs responsible for implementing the Medicaid Mental Health Capitation program in all 64 counties through contracts with the State.

**Developmental Disabilities Services** is responsible for services and support provided through the state-operated Regional Centers and 26 Community Center Boards. The Regional Centers provide 24-hour residential services in the "most restricted setting in the continuum of residential services", as well as medical, vocational, and educational services. The Community Center Boards are private, nonprofit organizations located throughout the state whose functions include: needs assessments, planning, coordination of service, and service/supports from approved service agencies. General services provided by this Division to people with developmental disabilities include: case management, residential services/supports, day program services/supports, and family services/supports.

**Youth Services** administers and contracts with private providers for statewide services for juveniles aged 10 to 21 years of age who have demonstrated delinquent behavior. These providers serve youth in both institutional and community settings.

**Supportive Housing and Homeless Programs (SHHP)** is a statewide housing agency that operates within the Colorado Department of Human Services, Office of Behavioral Health and Housing. SHHP's rental assistance programs provide Section 8 assistance to families and individuals with special needs, including mental and physical disabilities. Certificates and vouchers are passed through to 60 local community service providers who provide supportive services to the households. SHHP also administers special rental assistance programs

including the Single Room Occupancy Moderate Rehabilitation Program, the Veterans Affairs Supportive Housing Program and a Shelter Plus Care program. They are also active in finding homeownership opportunities for disabled persons.

### **Colorado Housing and Finance Authority (CHFA)**

Is an independent, self-sustaining establishment with nearly \$3 billion in assets which sells bonds enabling it to provide financing for single-family mortgages to qualifying homebuyers and facilitates development of multi-family apartment units for low- and moderate-income residents. CHFA also makes loans to Colorado-owned small and medium-sized businesses and also administers the Low Income Housing Tax Credit Program. The Division of Housing works closely with CHFA.

### **Local Governments or Regional Quasi-Public Organizations**

The Division of Housing works closely with local governments and Councils of Governments throughout the state to deliver housing assistance. Many homeowner rehabilitation programs and downpayment assistance programs are administered regionally through one local government or Council of Governments. The Division of Housing has engaged local governments in analyzing the regulatory costs associated with housing development by publishing reports and conducting trainings for local government staff. *CDH has also published Housing Colorado: A guide for local officials*, a manual distributed to Colorado local governments to teach local governments about the importance of affordable housing and how to identify local housing needs. In addition, CDH convenes regional housing summits that bring together local officials, housing providers, and community members to better understand their housing goals.

### **Nonprofit Organizations**

Colorado communities are served by a large group of nonprofit housing development and service agencies. There are several nonprofit housing organizations that develop housing, or deliver housing assistance or services on a statewide basis. Many others serve a single regional area. Since 1991, the Division of Housing has worked with many local communities on the creation of regional Community Housing Development Organizations (CHDOs). CDH now has 30 certified CHDOs throughout the state. Many of these serve poor rural communities with a variety of housing services.

The Division of Housing has also focused attention on increasing the capacity of rural housing authorities to produce more housing in their communities. Many housing authorities that may have owned only one small property have now developed new rental units for families and seniors using a variety of financing resources including tax credits.

CDH works with these housing authorities, CHDOs, and regional nonprofit organizations during all steps of the development process, from identifying



housing demand to putting together financing packages to managing lease up. These efforts have resulted in the creation of many rural projects that would not have happened otherwise. CDH continues to work with these partners on new projects and to identify new rural and urban nonprofit partners. CDH is also working to strengthen existing nonprofit organizations by providing training that increases their capacity, stability, participation and independence.

## **Foundations**

There are many foundations that have programs that provide funds for the development of housing and for the delivery of housing-related services. Because CDH works statewide with many organizations, our staff is aware of those foundations that are apt to fund various types of housing projects. CDH staff members have developed a technical brief, or *Advance*, on Foundations and Corporate Giving to help our nonprofit and local government partners access foundation funds. Many rural foundations have funded housing projects in their communities.

The Colorado Association of Realtors has a grant pool called the Housing Opportunity Fund (CARHOF). These funds, which come from local boards of realtors, are distributed regionally and on a statewide level for many housing projects, including downpayment assistance programs. A CDH staff person sits on the board of this organization. The Division of Housing also has produced an *Advance* on the CARHOF funds to ensure that all funds are utilized statewide. Funds are distributed for a variety of projects, including housing. Again, CDH staff has disseminated information about this fund and its grants cycle to nonprofit housing organizations. Many have been successful in receiving funds for their housing development projects.

A new foundation collaborative, called the Housing and Homeless Funding Collaborative is looking at ways to improve linkage and communication among various Colorado housing and homeless providers. The Division of Housing will continue to explore new foundation and private funding sources for housing activities in the communities that we serve.

## **Private Industry**

This group includes the corporations, commercial banks, savings and loans, mortgage companies, credit unions, and pension funds. It also includes the construction and real estate industry. Colorado has had a high level of participation from the development and homebuilder community around the issue of affordable housing. These groups came together to support an increase in the level of state funding to the Division of Housing for the Housing Development Grant program. Local banks have begun providing long term financing to housing projects in their areas, some with more flexible loan terms. Some larger banks have begun offering their own affordable housing mortgage products.

The Colorado Housing Council is a working group that includes both private industry representatives, such as homebuilders and nonprofit organizations. The Division of Housing will continue to engage these groups in the discussion of increasing the amount of affordable housing in Colorado.

## Institutional Structure — Non-Housing Public Institutions

### State of Colorado, Department of Local Affairs

**Division of Local Government (DLG)** administers programs which directly or indirectly affect statewide efforts: the *Energy and Mineral Impact Assistance (IA)* Program, the *"Small Cities" Community Development Block Grant (CDBG)*, the *Community Services Block Grant (CSBG)*, the *Local Government Gaming Impact Fund*, *Waste Tire Program*, *Conservation Trust Fund (CTF)*, and the *Search and Rescue Fund*

Regional field managers function as the marketing arm of the department for the non-housing community development needs of the state. The staff are located in eight regional offices and work with local clients to define their needs; to identify and develop response capacity; coordinate the delivery of the department's non-housing services; provide follow-up with evaluation of services and project effectiveness; and serve as advocate for both local government clients and for department agencies.

Given the various goals of the programs, the IA and CDBG programs have a statewide multi-purpose design. The other five programs have a very specific clientele and will only be mentioned casually throughout this discussion. The IA and CDBG programs operate open-competitive grant programs. The IA program may offer loans, but only for very specific water and sewer purposes. By design, no loans are offered through the CDBG program. All applications for IA or CDBG funding are reviewed by the regional field staff members who prepare the staff evaluation for each application. Providing input into the staff review process are numerous state agencies:

Solid Waste & Landfill	Office of Energy Conservation Local Government Department of Health
Drinking Water/Treatment	Local Government Department of Health
Sewer/Wastewater/Sludge	Local Government Department of Health
Flood Control/Drainage	Colorado Water Conservation Board
Hazardous Material/Emergency Warning	Division of Emergency Services
Education, Distance Learning	Department of Education
Historical	Department of Higher Education/Historic
Aviation	Department of Transportation
Parks & Recreation	Department of Natural Resources

Also, a listing of all applications is shared with USDA Rural Development for the purpose of determining its interest in working with DLG on a particular project/s. Except in emergency situations, all IA applications for funding are reviewed by

the State Impact Assistance Advisory Committee that makes recommendations to the Executive Director of the Department of Local Affairs for funding. Applications for CDBG are reviewed by staff members, who make recommendations to the Executive Director for funding.

The Department is represented on numerous boards and advisory groups. Of particular note is the intergovernmental Water and Sewer Needs Committee, which is composed of state and federal agencies normally concerned with sewer and water issues. The Committee is made up of the Colorado Municipal League, Special District Association of Colorado, Colorado Counties, Inc., USDA Rural Development, Colorado Rural Water Association, and the Colorado Water Resources and Power Authority. Coordination is provided through DLG.

**The Office of Economic Development and International Trade (OEDIT)** has the purpose of retaining Colorado's existing businesses, helping them expand, encouraging out-of-state companies with good quality paying jobs to locate to Colorado, and of assisting persons or entities starting businesses in the state. The mission of OED is to provide effective, professional assistance to the state's business community and to local communities; to make essential information easily accessible to business owners throughout the state; to promote the development and expansion of minority businesses; to offer state job training, marketing, and assistance programs to every region of the state; and to encourage new businesses, business retention, expansion and relocation resulting in the retention or creation of Colorado jobs. OED is made up of the following programs: Business Development, Business Finance, Small Business Development Centers, Economic Development Commission, Governor's Financial Review Committee, Minority Business Office, Tourism, Research and Special Projects and International Trade.

**The Governor's Financial Review Committee** reviews all CDBG economic development applications and makes final funding decisions.

### **Gaps in Institutional Structure Assessment:**

Affordable housing has become an issue familiar to much of Colorado. While there are still partnerships to be forged and groups to be educated, local governments, private industry, nonprofit organizations and state government have worked hard to tackle the issues involved in providing affordable housing. Under former Governor Roy Romer and now Governor Bill Owens, there has been a Smart Growth process that includes affordable housing as a growth issue. Representatives of all sectors have participated in these efforts. The gaps remaining in the institutional structure in Colorado are educating the public and reducing the Not In My Backyard (NIMBY) phenomenon; developing better coordination and cooperation between special needs providers and the organizations that produce housing units; and continuing to educate local agencies to increase the production of affordable housing units statewide.

**Local non-profit organizations and housing authorities:** Many of these groups not only lack funds to meet the demands, they also lack the staff expertise and capacity to expand or diversify their existing services. While many small agencies have taken on developing new housing units in the past five years, there is not enough capacity within the nonprofit community to develop the number of very low, low, and moderate-income units needed in many areas of the state. For-profit developers are creating units in some markets, but for the very lowest income households, those with special needs or a need for service enriched housing, there must be increased capacity to produce more housing.

**NIMBY:** The problem of finding suitable sites for affordable housing continues to be a problem in Colorado. Many neighborhoods are unwilling to have even mixed income rental units nearby, let alone housing for persons with special needs. This lack of understanding about, and fear of affordable housing residents, also hampers efforts to expand Colorado's affordable housing inventory.

### **Strategy to Overcome Gaps**

The Colorado Division of Housing will continue to lead efforts to increase the coordination and involvement of state and federal agencies, public and private nonprofit and others in the leveraging of funding sources, the planning and delivery of housing related services, and the development of special initiatives to increase and preserve affordable housing for the extremely low, low, and moderate income families and individuals who reside in the State of Colorado. CDH staff will continue to work with local governments and housing providers to increase their capacity to create new affordable housing units. This one-on-one technical assistance will be supplemented by statewide training such as the Developer's Toolkit, *Housing Colorado: A Guide for Local Officials*, Creative Finance, Managing Nonprofits in Tough Times, Basic Underwriting, Advanced Financing, and other workshops which can help increase the capacity of Colorado's housing providers.

The Division of Housing will work with the Department of Human Services and local special-needs providers to encourage partnerships between service providers for special needs populations and housing development agencies. These partnerships are essential to increasing the supply of affordable, accessible housing for special-needs populations. CDH staff will also work to increase the number of very low income units statewide by increasing awareness of the need for 30% rental units, and helping agencies put together the financing structure to make these units feasible.

The "Big Four Group," which contains Colorado Division of Housing, Colorado Housing and Finance Authority, U.S. Department of Housing and Urban Development, and U.S. Rural Economic and Community Development (RECD) meets monthly to discuss multiple agency rules, and annually targets specific areas within the state where all funding sources and staff expertise are combined

to address immediate housing needs. Staff members of these agencies meet every other month to discuss specific projects and areas of the state with a need for new housing units. Actions contained in several of the Strategies are specific to overcoming the gaps identified above. Goal 3 and its activities are designed to address many of these gaps, especially those dealing with increasing local capacity.

### **Governmental Coordination**

The Department of Local Affairs is the one agency in Colorado that deals almost exclusively with local governments on all levels of its mission. This Consolidated Plan represents hours of community meetings, compilation of written surveys, and consultations with local governments, state agencies, and nonprofit agencies in the state. Cooperation and coordination between the Department of Local Affairs, other involved state agencies, and local governments did not just take place to produce this document. That coordination and cooperation is a daily occurrence, as may be understood by a complete reading of this document.

### **Low-Income Housing Tax Credits (LIHTC)**

The Colorado Housing Finance Authority (CHFA) has the authority to allocate the LIHTC in Colorado. CHFA and the Division of Housing work closely together in using LIHTC to develop affordable housing. The staff of both agencies are in constant contact to discuss new and existing projects and meet formally every other month to update each other on pending projects. This system will be continued during the next five years. The annual plan for allocation of tax credits will be presented to the CHFA Board of Directors on December 8, 2005. If approved, the 2006 Allocation Plan will then be posted on CHFA's website ([www.colohfa.org](http://www.colohfa.org)) or available from CHFA upon request. Below are specific actions that will be taken in the next five years to continue this on-going coordination:

- ❖ Continued close coordination between CHFA and the Division of Housing in the use of LIHTC, federal, state, and private funds for project funding;
- ❖ Education and training for for-profit, nonprofit and local government housing providers in the use of LIHTC and full allocation of all available credits each year for affordable housing

### **Public Housing Resident Initiatives**

The State does not operate any public housing and therefore does not plan for any resident initiatives.

### **Troubled Housing Authorities**

There are no troubled housing authorities in Colorado at this time. HUD Troubled Agency Recovery Center will contact the Division of Housing in the

future if there are housing authorities in need of assistance. The Division of Housing will be offered as a resource to these housing authorities.

## **Barriers to Affordable Housing**

The state's rapid increase in development from the early 1990's to early 2000's made growth management issues a primary concern for state and local elected officials in Colorado. Many communities undertook a close examination of public policies that guide the creation of transportation systems, water supply, open space, and housing. Many also adopted policies that growth should "pay its own way," resulting in sometimes complex impact fee structures. Although Colorado's economy has slowed in recent years, these growth-control policies and fees remain in place, ready for a time when the economy turns around and rapid growth returns.

Depending on the public policy objective, growth control policies can be used as either management tools – controlling and directing appropriate development – or as regulatory barriers – to prevent additional development. This is most apparent in housing development, which is affected by every tool a community might use to control growth. They include annexation and zoning policies, both in terms of the amount of land available for residential development and its density; subdivision design and engineering standards; impact fees for infrastructure and other public facilities such as schools, libraries, open space, parks, fire and police stations; building codes; limitations on the number of building permits allowed each year; and regulations to protect environmental and cultural resources.

CDHThe Division of Housing continues to examine the issue of barriers, although it is no longer legislatively required. The Division defines regulatory barriers as either a deliberate or de facto action that prohibits or discourages the construction of affordable housing without sound reasons directly related to public health and safety; a federal, state, or local statute, ordinance, policy, custom, practice, or procedure that excessively increases the cost of new or rehabilitated housing, either by improperly restricting the location of housing, or by imposing unjustified restrictions on housing development with little or no demonstrated compensating assistance.

### **Local Regulatory Barriers**

We first examined the type and prevalence of local regulatory barriers. CDHCDH identified five categories of land use regulations frequently cited as barriers to affordable housing. These include: (1) infrastructure financing, (2) zoning and subdivision controls, (3) building codes, (4) permitting and procedural rules, and (5) environmental regulations. The Division of Housing works with communities to show how local governments in Colorado could modify regulations to reduce their impact on affordable housing. This assistance is provided through technical workshops on land use planning and on financing affordable housing. CDH also works with each developer to negotiate a reduction in local regulatory cost during

our application review process. The following tables show examples of how local governments used regulatory reform to create affordable housing in 2004.

**Financing Public Improvements:** This first table shows how local governments finance public improvements such as roads, libraries, schools, parks, etc., and methods used to reduce the fiscal impact on affordable housing. Direct payments for expanding roads, parks, and utilities are referred to as an impact fee. Land dedications are often required for larger developments to reduce the expansion cost of schools or parks. Local governments may also require an exaction, which conditions approval of new development for on-site or off-site improvements, such as right-of-ways for expanded transportation or utilities.

Regulatory Requirement	Regulatory Remedies
Water/Sewer Tap Fees	The Town of Crested Butte has a reduced fee basis for water and sewer taps for deed-restricted units.
Water Tap Fees	The City of Aspen provides waivers of water tap fees for deed-restricted affordable housing properties.
Development Impact Fees	The Town of Breckenridge waives all city-generated fees except sewer fees for housing affordable to households up to 120% of Area Median Income.
Water Tap Fees	The Town of Snowmass provides waivers for water tap fees for deed-restricted rental and ownership units.
Development Impact Fees	The Town of Rangely waived development fees for a twenty bed assisted living facility.
Exactions	Colorado Springs shared the on-site drainage improvements for an affordable housing project.
Land Dedications	The City of Durango contributed land to an affordable senior rental housing project.
Building Permit Caps	Boulder is exempting affordable housing from its growth management permit limitation.

**Zoning & Subdivision Controls:** Zoning regulations affect density, housing size, accessory dwelling units, etc. The primary purpose of zoning restrictions is to separate incompatible land uses. These regulations also are used to maintain real estate values by enforcing controls on the location, size, and appearance of all residential and commercial buildings. However, zoning regulations can limit the use of the most affordable types of housing – multifamily and manufactured housing – by limiting the amount of land zoned for this purpose. Subdivision regulations affect site plan design and engineering standards for streets and utilities.



<b>Regulatory Requirement</b>	<b>Regulatory Remedies</b>
Standard house & lot size	In Glenwood Springs, the Cardiff Glen subdivision has streets 24 feet wide.
Prohibition of accessory dwelling units	The Cardiff Glen subdivision includes accessory dwelling units, better known as mother-in-law apartments.
Density Bonus	The City of Brighton grants density bonuses for all new single-family and multifamily dwellings in residential developments when 10% of units are set aside for seniors, are accessible, or affordable units.
Modification of Development Standards	The City of Loveland may modify development standards for affordable housing projects

**Building Codes:** A third type of regulation likely to affect a community's supply of affordable housing is the local building code. The building code serves the important public purpose of health and safety by governing the use and installation of materials and the design and construction standards for the building. A local building code plays a vital role in protecting not only the occupants of the building but also its long-term value.

<b>Regulatory Requirement</b>	<b>Regulatory Remedies</b>
Mechanical codes	After issuing a code violation for lack of a fire sprinkler system in a group home for lower income persons with developmental disabilities, the City of Pueblo paid for its installation.
Material specifications	Las Animas County allows the use of alternative building materials such as straw bale and adobe.

**Permitting and Procedural Rules:** Application fees & review schedules are part of every local approval, including annexation, zoning, site plan, subdivision, and building permits. Sometimes these have open-ended approval timelines, and fees can be charged at any point in the process. Time delays in the approval process add uncertainty and risk to an already expensive investment. The following is a table showing how some local governments have modified their process.

<b>Regulatory Requirement</b>	<b>Regulatory Remedies</b>
Complicated fee schedule & permitting process	City of Delta reduced fees and streamlined its permitting process to hasten the rehabilitation of a building for a domestic violence shelter
Open-ended review timeline	Las Animas County has a published schedule of permit cost and application timelines.
Multiple approval processes by different departments	City of Greeley facilitates the permit review process thru the Planning Dept. Administrative Review Team.

**Environmental and Cultural Protection:** The Clean Water Act, the Endangered Species Act, the National Environmental Policy Act, and the National Historic Preservation Act are the most prevalent of federal environmental statutes encountered when developing or redeveloping affordable housing. Each of these mandates is federal and must be adhered to by local governments in their development procedures and methods. It is the unpredictability of these regulations that give pause to private investors. Many of the regulatory remedies seek to identify environmentally sensitive land parcels or buildings so private investors can avoid the additional cost or delays inherent in mitigating impacts on the environment.

<b>Regulatory Requirement</b>	<b>Regulatory Remedies</b>
Water resource protection	Adjustment of building sites and channeling of a nearby stream prevented flooding at Wapiti Meadows Apartments in Fraser
National Environmental Policy Act	Inexpensive materials like straw-bale or wood have been used to construct barriers to reduce noise levels in high traffic areas.
Endangered Species Act	Front Range local governments have started to identify the Preble Mouse habitat area for builders to avoid.

# Municipal/County Development Charges

## Municipal/County Development Charges 2004-2005

Building fees for a single-family residence with construction valuation of \$100,000, not including planning or zoning fees for the creation of lots in the subdivision.

Community	Water (\$)	Sewer (\$)	Traffic Impact (\$)	Storm Drainage (\$)	Park/ Rec (\$)	Fee in Lieu of Land Dedication		Other (\$)	Bldg Permit (\$)	Plan Check (\$)	Municipal/ County Use Tax (\$)		Total (\$)
						Park/ Open Space (\$)	School (\$)						
Alamosa	1,000	1,000	0	0	0	1,875	0	0	640	320	2%	1,000	
Arvada*	9,545	1,120 Arvada 1,600 Metro	0	0 – 4,181*	1,098	911	365	0	993	645	3.21%	1,605	
Aurora *	10,938	1,711 Aurora 1,600 Metro	50	107	811	*	*	45*	994	994	3.75%	1,875	
City of Boulder*	9,290	2,130	1,845	915	2,092	0	3,210	1,814*	1,059	265	3.41% .55%	1,980	
Canon City	4,423	2,500	0	0	0	0	0	0	887		2-1.5%	1,750	
Colo. Springs*	4,695	1,071	0	2,215	0	980	843	35*	1,088	0	2.0%	1,000	
Denver*	9,800	5,000	0	0	0	0	0	*	920	0	3.5%	1,750	
Durango	4,680	1,520	908	0	0	300	945	0	1,090	0	1.25%	990	
Town of Eagle*	2,400 – 3,400*	3,500	1,016	0	0	0	0	0	994	646	4%	2,000	
Fort Morgan*	5,744	1,200	0	0	0	0	0	0	560	0	3%	1,500	
Grand Junction*	1,000 City OR 5,000 Ute Dist*	1,250+ *	1,500	0	*	225	292		436	10	2.75% 2.00%	2,375	
Greeley*	7,711	3,070	1,512 OR 2,059	69 - 704	2887	287	0	408*	895	224	3.3%	1,650	
Kiowa	4,500	3,000	0	Per acreage	0	0	0	0	994	646	1.5%	750	

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						Park/ Open Space (\$)	School (\$)						
La Junta	1,000	400	0	0	0	0	0	0	895	0	3.25% 1%	2,125	
Lakewood	5,290	2,870	0	0	700	0	1,133	0	803	522	1%	500	
Longmont*	6,380	3,000	686	282	3,157	0	1,400	1,342*	1,143	571	2.95% 0.55%	1,750	
Loveland*	4,840	1,930	2,931	367	3,650	0	688	3,206*	1,504	497	3% 0.8%	1,900	21,513
City of Montrose*	1,600	3,320	0	0	0	525	488	0	994	497	3.5% 1%	2,250	
City of Pueblo*	2,710	640	0	0	0	*	0	0	655	49	3.5%	1,750	
Trinidad	1,601	1,500	0	0	0	0	0	0	994	248	4%	2,000	
Westminster*	9,851	2,648	0	0	1,564	*	876		1,129	734	3.85%	1,925	
Adams*	South Adams Water = 8,058	South Adams Sewer = 3,058	1,599	*	0	*	*	0	994	646	0	0	
Arapahoe*	East Cherry Creek Valley = \$15,000	East Cherry Creek Valley = \$1,711 +1,600 Metro	750	East Cherry Creek Valley \$850 – 1,250*	0	710	806	138 E470	887	577	.25%	125	
Boulder*	Lefthand Water	Niwot Sanitation	0	0	0	0	0	5,150+	840	546	0.55%	275	
Douglas*	Special District (S.D.) = 6,750	S.D. = 4,429	0	S.D. 632	0	Formula	Formula	4,073	1500		0.5%	500	
Eagle*	Varies*	Varies*	1,600	Varies	Varies	Varies	Varies		1,097	713	0	0	

## Municipal/County Development Charges 2004-2005

Building fees for a single-family residence with construction valuation of \$100,000, not including planning or zoning fees for the creation of lots in the subdivision.

Community	Water (\$)	Sewer (\$)	Traffic Impact (\$)	Storm Drainage (\$)	Park/ Rec (\$)	Fee in Lieu of Land Dedication		Other (\$)	Bldg Permit (\$)	Plan Check (\$)	Municipal/ County Use Tax (\$)		Total (\$)
						Park/ Open Space (\$)	School (\$)						
Elbert	Special District	Special District	0	0	0	0	0	0	727	470	0	0	
El Paso*	Academy W&S* \$4,000	Academy W&S* \$5,000	0	194 – 1,306	0	307	308	1,057+	608	151	1%	500	
Fremont	0	0	0	0	0	0	0	0	887	0	1.5%	75	
Jefferson*	Special District	Special District	1,426	0	0	*	*	0	994	647	0	0	
La Plata*	El Rancho Florida Metro District = 5,303*	El Rancho Florida Metro District Lagoons*	*	0	0	0	60-945*	180+	639	0	0	0	
Larimer*	Special District	Special District	\$1,913	Municipal	0	669-701	8-763*	0	Varies	50% of bldg permit	0.8%	400	
Las Animas*	Special District 4,400	City of Trinidad 3,000	Pending	0	0	0	Varies	0	994	0	1%	500	
Mesa	City of Grand Junction = 1,000 Ute Water District 5,000	Fruitvale Sewer Dist. 1,250	85	0	0	150	392	0	436	0	2%	1,000	
Montrose County	Tri-County Water	West Montrose Sanitation	0	0	0	0	473	0	994	646	1%	500	
Morgan*	Morgan Co. Quality Water = 5,385	NE CO Health Dept. Septic = 350	BOCC	0	0	0	0	5,750*	100	0	0	0	

## Municipal/County Development Charges 2004-2005

Building fees for a single-family residence with construction valuation of \$100,000, not including planning or zoning fees for the creation of lots in the subdivision.

Community	Water (\$)	Sewer (\$)	Traffic Impact (\$)	Storm Drainage (\$)	Park/ Rec (\$)	Fee in Lieu of Land Dedication		Other (\$)	Bldg Permit (\$)	Plan Check (\$)	Municipal/ County Use Tax (\$)		Total (\$)
						Park/ Open Space (\$)	School (\$)						
Pueblo County	Avondale	Avondale	0	0	0	0	0	0	655	49	0	0	
Weld	Dacono	Dacono	1,987	0	0	0	0	72	887	576	0	0	

### Footnotes to Fee Chart

1. Arvada – Storm Drainage ranges from \$0 – 4,181 depending on drainage basin. These numbers are from the 2002 survey.
2. Aurora – Fee calculations assume a 1/10<sup>th</sup> acre lot with 45' frontage. Water, Sewer, Traffic, Storm Drainage & Fees in Lieu of Land Dedication are normally paid at time of subdivision, not building permit. Fees in Lieu of Land Dedication would be based on the appraised value of the parcel. "Other" fees include an \$25 Public Improvement Fee & \$20 Engineering Permit Fee.
3. City of Boulder 2004 – "Other" fees include: Electrical permit \$46.85, Mechanical permit \$18.35, Plumbing permit \$63.35, Energy Code Calculation fee \$77.25, and Excise Tax \$1,608, for a total of \$1,814. Excise tax is for police, library, fire, human services, municipal space, parks, recreation, transportation, housing & education, & assumed a 600 square foot detached dwelling unit.
4. Colorado Springs – "Other" fees include
5. Denver – All numbers are from the 2002 survey.
6. Fort Morgan – All numbers are from the 2002 survey.
7. Town of Eagle – Water fees vary based on the square footage of lot.
8. Grand Junction – Most new development is in the Ute Water District, which charges \$5,000 for water taps. In some cases, there is an additional fee to a sewer improvement district that is not shown on the chart. Park/Rec fees are 10% of raw land value.
9. Greeley – Other fees are for Fire & Police.
10. Longmont – Water & Sewer assume 5,000 sq. ft. lot. Other includes Polycart escrow, electrical connection & service, water pit inspection, water construction fee & sewer inspection.
11. Loveland – Water fee includes meter, construction tap, raw water & SIF; Parks/Rec fee includes parks, recreation, trails & open lands; Building permit fee includes structural, electrical, street & storm water inspections; Other fees include PIF for electric service & CEFs for fire, law enforcement, library, museum & general government.

12. Pueblo (City) – Fee in lieu of land dedication for parks & open space is based on the size of the subdivision (less public streets) & number of lots.
13. Westminster – Fee in lieu of land dedication for parks & open space is based on the fair market value of the land.
14. Adams County – Fee in lieu of land dedication for parks & open space is based on the land's zoning & the value of land in each zone. Subdivision developers, not homebuilders, pay these fees. Storm drainage fees are available from the Engineering dept. @ 303-453-8787.
15. Arapahoe County – East Cherry Creek Valley Water & Sanitation also manages regional stormwater facilities. Their fees vary based on the drainage basin - \$900/home for Piney Creek, \$850/home for West Toll Gate Creek, and \$1,250/home for No Name Creek.
16. Boulder County – All numbers are from the 2002 survey, except for Building Permit, Plan Check & Taxes. Water tap fees are available from the Lefthand Water District @ 303-530-4200, and Sewer Tap fees are available from the Niwot Sanitation District @ 303-652-2525.
17. Douglas County – All numbers are from the 2002 survey.
18. Eagle County – Water & Sewer tap fees vary based on the home's square footage & the district it is located in.
19. Elbert County – All numbers are from the 2002 survey.
20. El Paso County – Academy W&S numbers are from the 2002 survey.
21. Jefferson County – Water & Sewer tap fees vary based on the district. Fee in lieu of land dedication for parks & open space is based on the platted land's value per acre.
22. La Plata County – El Rancho Florida Metro District numbers are from the 2002 survey. Traffic Impact fees are available from Engineering @ 970-382-6375. School fees for single-family lots are \$60 in Ignacio, \$525 in Bayfield & \$945 in Durango 9R school districts. All other numbers are from the 2002 survey.
23. Larimer County – School fees for single-family lots are \$8 in Park R-3, \$481 in St. Vrain & \$763 in Poudre R-1 school districts.
24. Las Animas County – All numbers are from the 2002 survey.
25. Mesa County – Tax numbers are from the 2002 survey – updated information is available from Treasury @ 970-244-1824.
26. Morgan County – the "Other" fee is for a ½ share of Big Thompson water.
27. Weld County – the "Other" fee is for an electrical permit.

## Local Land Use Policies

An examination of municipal and county land use policies shows many local governments with flexible land use policies and building codes. This flexibility is a starting point for assessing the local government's ability to reduce perceived regulatory barriers. In 1997, The Division of Housing conducted a survey of both municipal and county governments. This has been updated in subsequent years. CDH updated the municipal government and county government information this year. A total of 121 municipalities participated in the CDH 2004-2005 survey. Of these municipalities, 77% had adopted a Comprehensive or Master Plan. This percentage is very similar to the percentage of municipalities with Comprehensive Plans in 2002. Of the communities responding to the survey, 23% do not have a comprehensive or master plan. None of these communities have populations over 1,800. Most have populations under 800. Of these 28 communities without a plan, eight will be completing a plan in the coming year.

Counties and municipalities often use intergovernmental agreements to manage residential development on their shared borders. These agreements recognize the intricacies of varied growth management policies. All of the counties that comprise the growth corridors of I-25 and I-70 have adopted intergovernmental agreements regarding land use decisions with adjoining governmental entities. These agreements will be the backbone of future growth priorities. They contain policies for annexation, extension of utilities, and expanded public services. The provision for affordable housing should also be included in these intergovernmental agreements, particularly in areas of the state where land is exceedingly expensive.

## The Division Of Housing's Effectiveness In Reducing The Impact Of Land Use Regulations

The Division of Housing (CDH) provides technical assistance to local governments seeking to modify land use regulations in order to encourage affordable housing development. A priority for CDH during our application review process is to assess a local government's financial contribution compared to the impact its regulations and policies have on the total project cost. These efforts have produced concrete results. CDH staff works with housing agencies and local governments to reduce the cost burden that local fees and development requirements can place upon an affordable housing project. The following table shows the results of these negotiations from 2001 to 2005 – the amount of local contributions to projects increased.

Rural Development/New Construction 2001 - 2005

	2001	2002	2003	2004	2005
Number of Projects	3	7	3	5	1
Total Project Cost	\$19,035,997	\$92,229,770	\$11,353,674	\$14,257,600	\$627,066
CDH Subsidy	\$ 1,425,000	\$ 3,725,975	\$ 1,010,000	\$ 1,034,860	\$120,000
Local Gov't Contribution	\$ 3,248,448	\$16,989,223	\$ 285,630	\$ 727,600	\$78,800
Cost of Local Fees	\$ 630,528	\$ 3,157,266	\$ 513,680	\$ 1,144,700	\$750



### Urban Development/New Construction 2001 - 2005

	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Number of Projects	10	12	11	6	5
Total Project Cost	\$79,226,645	\$132,025,392	\$49,856,701	\$35,521,076	\$58,572,589
CDH Subsidy	\$ 3,270,886	\$ 6,153,573	\$ 2,553,400	\$ 2,178,432	\$1,863,000
Local Gov't Contribution	\$ 2,984,500	\$ 7,883,000	\$4,053,307	\$ 3,293,379	\$2,881,095
Cost of Local Fees	\$ 7,479,375	\$ 7,731,149	2,803,962	\$ 358,660	\$1,642,101

### Acquisition with Rehabilitation 2001 - 2005

	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Number of Projects	18	19	13	10	19
Total Project Cost	\$41,263,334	\$33,455,918	\$48,230,064	\$8,915,381	\$115,142,219
CDH Subsidy	\$ 4,411,900	\$ 4,729,949	\$ 3,119,421	\$1,483,000	\$8,116,094
Local Gov't Contribution	\$ 4,129,440	\$ 4,405,574	\$ 5,858,390	\$1,515,150	\$5,555,457
Cost of Local Fees	\$ 45,888	\$ 564	\$ 350,000	\$ 480	\$11,500

## Technical Assistance

During the past five years, Division of Housing conducted workshops for local government officials, homebuilders, elected officials, and affordable housing professionals. Each workshop profiled actions taken by local communities that reduce the impact of land use regulations on affordable housing. Each workshop also promoted the use of the Division's "Reducing Housing Cost Through Regulatory Reform" handbook. Over 400 copies of this publication have been distributed through the workshops or by direct requests, and it is available on CDH's website.

During the period 2006-2007, the Division will again provide workshops for local government officials. Those workshops will be geared toward increasing governmental participation in affordable housing partnerships, along with providing information about land use tools that reduce the impact of regulation on affordable housing. We anticipate taking advantage of housing summits, focus groups, round tables and other venues for training. Specifically, it is anticipated that the "Blue Ribbon Panel" on housing will examine the issues around Regulatory Barriers and report back to the Division of Housing with proposed strategies.

Based on the success of these workshops and publications such as "Reducing Housing Cost Through Regulatory Reform," CDH has become a primary resource to local governments seeking to modify land use policy to encourage affordable housing development. Examples of communities modifying land use policies and regulations to increase their affordable housing supply include the City of Brighton and Garfield County. The Town of Berthoud, in the Northern Front Range, is in the process of developing a comprehensive plan and will utilize strategies from our training and publications in their efforts.

Many communities are utilizing existing governmental powers to increase the supply of affordable housing. The City of Brighton modified its regulations so it may grant density bonuses for all new single-family and multi-family dwellings in residential developments where 10% of units are set aside for seniors, are accessible, or affordable. Garfield County amended its land use regulations to expand its inclusionary zoning requirements and bonuses for developers of affordable housing. The Town of Winter Park assesses a \$3.00/sq. ft. charge on most new development in the town. Proceeds go to support affordable housing within the town. Developers of larger projects can work with the City Council to provide affordable units in lieu of the fee.

## **Lead-Based Paint Hazard Reduction**

The Colorado Division of Housing (CDH) recognizes the serious health risks for children from lead poisoning due to contact with untreated lead-based paints and dusts in the state's housing stock. In order to assist in protecting children from these serious health risks, the Colorado Division of Housing works closely with sub-grantees, contract agencies, and the Colorado Department of Public Health and Environment to assure that the current requirements of Title X of the Community Development Act of 1992 are met in the state's housing programs and projects.

As of September 10, 2001, all provisions of Title X became enforceable in Colorado. These provisions include the regulations found in HUD's Lead Safe Housing Rule (24 CFR part 35). The staff of the Colorado Division of Housing reviews each proposed housing development program or project to ensure on-going compliance with all applicable sections of Title X. This review is based on the type of project, the type, amount, and duration of financial assistance, and the age of the property. In addition, the Colorado Division of Housing ensures that all applicable training and technical resources are made available to local housing providers and developers.

The Colorado Department of Public Health and Environment (CDPHE) has statutory responsibility for the on-going implementation of the statewide comprehensive plan to reduce childhood lead poisoning. In addition the CDPHE is also authorized by the Environmental Protection Agency to provide training, certification, and enforcement programs surrounding lead poisoning and lead-based paint in the state.

The Colorado Department of Public Health and Environment is also responsible for compiling information on the number and location of children found to have elevated lead blood levels (great than 10 micrograms/deciliter) across the state. During the period 1996 – 2002, approximately 2.5% of all children between the ages of 6 months and 6 years of age tested statewide had elevated blood lead levels. In one neighborhood in Denver, over 16% of the children tested have elevated blood lead levels. On-going efforts by the CDPHE and Medicaid to educate parents on the sources and hazards of lead poisoning are designed to increase the number of children tested every year statewide. These on-going efforts have lead to an increase in the testing of over 40% more children in 2002 (last year data is available) than in the previous year for possible lead poisoning.

Currently in the state of Colorado, there is a single Lead Hazard Control Grantee, the Northeast Denver Housing Center (NDHC). Through the Lead Hazard Control Grant, the NDHC is able to respond to reported individual incidences of elevated blood level children in lower income households across the state. In addition, NDHC provides comprehensive lead hazard identification and reduction activities in specific neighborhoods in the City of Denver.

For Colorado, information obtained from the 2000 Census and the Center for Disease Control (CDC) report, "Surveillance for Elevated Blood Lead Levels Among Children – US, 1997-2001" (September 2003), indicates that there are over 21,000 housing units with a high risk of lead hazards. Housing identified as having a high risk of lead hazards is defined as housing units that were built before 1950 that are occupied by households living below the poverty level.

The Colorado Division of Housing will implement the following activities during the period of 2005 – 2010 in order to ensure compliance with all applicable lead-based paint regulations on a statewide basis:

**Activity 1: Enhance Existing Partnerships to Reduce Lead-Based Paint Hazards**

The Colorado Division of Housing will continue to assist with public and private efforts to reduce lead-based paint hazards across the state. This includes on-going involvement in the inter-agency work group, the Colorado Lead Coalition that serves to develop and implement strategies for statewide lead hazard reduction and education efforts. Besides the Colorado Division of Housing, this coalition includes the U.S. Environmental Protection Agency, Denver Health, the U.S. Department of Housing and Urban Development, Colorado Department of Health and Environment and other agencies. In addition, CDH works with the Northeast Denver Housing Center to ensure that Lead Hazard Control Grant funds are available to assist households with identified elevated blood level children across the state.

**Activity 2: Provide Lead Hazard Information to Housing Providers, Local Officials and Assisted Households**

All Colorado Division of Housing sub-grantees, contractors and local housing and service providers are provided with the most current required publications for distribution to occupants of housing units assisted with CDH funds. For example, the EPA Pamphlet, "Protect Your Family From Lead in Your Home" is distributed to local housing and service providers that, in turn, distribute this publication to all applicable households. CDH funded programs that receive lead hazard information include the Single-Family, Owner-Occupied Rehabilitation Program, the Section 8 Voucher Program, down payment assistance programs, and programs that assist in the acquisition and rehabilitation of rental properties.

**Activity 3: Enhance Existing Delivery System and Technical Capacity**

The Colorado Division of Housing will continue to provide technical assistance to CDH sub-grantees, contractors and local housing and service providers on the requirements of Title X through the use of web-based training, on-site visits, project underwriting, and the distribution of best practice methods. The goal of enhancing the existing delivery system and technical capacity concerning lead-

based paint hazard identification and reduction is to comply with the regulations in the most effective and economical way possible.

**Possible New Activities:**

- Increase involvement in CDPHE LBP education activities such as Lead-Safe Child Week (October). CDH could act as sponsor and/or promote other activities
- Pursue a Statewide Lead Hazard Control Grant (sponsor and/or promote)
- Increase availability of XRF cameras/technology across the state
- Sponsor additional Lead-safe Work Practice trainings around the state

<b>Estimate of Housing Units with Lead-Based Paint – State of Colorado</b>								
Built Date Range	Total Units Built	Renter Units			Owner Units			Total Low Income Units
		Total rental units	Extremely Low	Low	Total owner units	Extremely Low	Low	
Pre-1940	145,236	56,435	34,453	18,934	88,801	18,214	32,771	104,372
1940-1959	54,530	22,286	12,970	8,329	32,244	5,775	14,349	41,423
1960-1979	61,516	168,400	88,644	67,551	293,116	39,258	90,488	285,941
<b>Total</b>	<b>661,282</b>	<b>247,121</b>	<b>136,067</b>	<b>94,814</b>	<b>414,161</b>	<b>63,247</b>	<b>137,608</b>	<b>431,736</b>

It is therefore estimated that 661,282 housing units (+/-10%) in the State of Colorado contain lead-based paint. The estimated total number of low-income units that may contain lead based paint is 431,736 (+/-10%) or approximately 65% of all housing units that contain lead-based paint.

## Energy Plan

CDH will work with local nonprofit housing developers, Community Housing Development Organizations, Housing Authorities and other appropriate housing organizations to distribute Energy Star information to clients, to coordinate training workshops on energy-efficient healthy housing, encourage energy efficiency when using HOME and CDBG funds, and incorporate an analysis of the energy efficiency of housing projects into its application process.

## **Monitoring**

Describe actions that will take place during the next year to monitor housing and community development projects and ensure long-term compliance with program requirements and comprehensive planning requirements.

### **Program Year 2 Action Plan**

#### **Monitoring response:**

Monitoring Standards and Procedures. In order to successfully administer state and federal housing funds, Colorado Division of Housing (CDH) has developed a monitoring plan to ensure that the affordable housing units are in compliance with applicable State and Federal guidelines. During the course of grant and or loan administration, Asset Managers (AMs) and other CDH staff monitor project performance in a variety of ways. This monitoring plan will describe CDH monitoring methods that focus on the following programs: HOME, CDBG, ESG, HDG and Section 8 Rental Assistance Programs.

## **Monitoring Policies And Procedures**

### **Project Performance Plan**

The Project Performance Plan (PPP) sets forth the goals and milestones that a project must meet in order for it to be successful and in compliance with federal and state requirements. The PPP addresses anticipated project problems and time lines needed to complete and manage the project. The PPP (Exhibit D) applies only to the HOME, and CDBG projects and will be the basis for measuring and tracking the grantees performance through the term of the project. The PPP can include:

- Financial management systems in place
- Development of a maintenance plan
- Development of a marketing plan
- Leasing and occupancy policies
- Risk management implementation
- Construction time lines
- Housing Agency management capacity and production

The PPP is also used to plan CDH training and technical assistance. A change in the PPP does not warrant a change letter or contract amendment.

The PPP is an assessment of the project needs based on the expertise of the CDH Housing Developer (DEVO), Asset Manager (AM) and the funding recipient (Grantee). A draft PPP is first developed by the DEVO based on their view of the needs of the project. The AM then adds their performance measurement suggestions to the PPP. The AM will contact the DEVO if there are any discrepancies regarding the PPP. The grantee is also made part of the preparation of the PPP and this is usually done in the following manner:

- A draft copy of the PPP can be faxed to the contractor for input before the contract is mailed to the grantee for signature.
- The grantee can be contacted by telephone
- A meeting can be held at CDH or grantee's office to review and prepare the PPP

- The DEVO can inform and develop the PPP at the initial meetings that take place to discuss the project.

Project Performance Plans vary, as do the different types of projects that are funded by CDH. To ensure all major milestones are covered in the PPP, templates covering the different types of developments and projects have been developed. These templates are not intended to be all-inclusive, as each development team has the ability to tailor the PPP to the individual projects. In addition, the PPP templates contain an additional column that can be used by the Grantee to track quarterly performance. Because the PPP covers all critical milestones a project must meet, AM's are able to easily determine if a project is on-track or if revisions must be made. Some projects will have limited performance measures because the developer is a high functioning and/or another organization is involved in the project. Other organizations that could be involved include CHFA, Mercy Housing, Rural Development, HUD or a private lender. These organizations often provide project oversight in such areas as construction monitoring, maintenance plans and property inspections. When other monitoring systems are in place, CDH does not duplicate these efforts. On the other hand, some projects will have intense and detailed PPP in that a first time developer may be involved and/or there has been staff turnover.

## **ON-GOING PROJECT MONITORING**

CDH requires each project it funds to submit monthly or quarterly reports that provide AMs and other CDH staff a project update that flags pending or anticipated problems.

### **Quarterly Financial Report**

The financial quarterly report lists the full financial status of the project including fund balances of the loan or grant provided. The quarterly financial report applies to HOME, HDG, ESG and CDBG projects. The quarterly performance report has been integrated into the PPP, this allows the Grantee to report on PPP milestones within the PPP format. The milestones to be completed in the near future are also listed and any problems or issues that have been encountered. AMs reconcile the performance reports against the PPP for project to track milestones that need completion. AMs also contact the grantee or borrower by telephone or e-mail on a monthly basis to track the project performance.

### **Section 8 Monthly Financial Reports**

The Section 8 Contractors are required to submit monthly Housing Assistance Payment (HAP) requests and Lease Status Reports. These reports are used to track the utilization of the program, initiate rental payment changes and certify the rental assistance payments to landlords and participating families. AMs and CDH Section 8 staff provide technical support on an on going basis when needed for program compliance.

## **CONTRACT MONITORING**

Near the end of the contract term or during the course of a fiscal year, AMs monitor each CDH project to ensure that the project is in compliance with the applicable federal and state requirements. Due to some projects needing more attention than others, CDH has developed a Risk-Based Monitoring approach. CDH Risk-Based monitoring allows Asset Managers to focus more time on projects that are at higher risk of encountering problems during the project development.

The level of monitoring for the project will be determined by the Program Manager with input from the CDH Developer and Asset Manager. The Developer and Asset Manager discuss the administrative capacity of each grantee and determine the level of monitoring before recommending it to the Program Manager. The level of monitoring will be listed on the PPP attached to the grantee's contract or on the semi-annual monitoring schedule established by the AM. The level of monitoring may be changed during the term of the contract, if needed, and does not warrant a change letter to be routed for signature. Projects are placed in one of the following three categories:

FULL (F - in monthly Oracle Report) - A FULL monitoring determination requires an Asset Manager to address all identified areas pertaining to the project within the regular CDH monitoring documents. The Asset Manager will also have to visit the project site and complete a housing quality standards inspection on a minimum 5% of the units. The Developer and Asset Manager will recommend a FULL monitoring if the project contains the following:

- New Grantee - Grantee who has never received funding from CDH and/or Grantee that has not received funding in the last three years.
- New activity for existing grantee
- Complicated project
- Unresolved findings or concerns on last contract
- Repeat instances of findings or concerns
- Existing Grantee - new staff in key positions
- Staff recommendation due to unexpected problems occurring during the project.

PARTIAL (P - in monthly Oracle Report) - A PARTIAL monitoring will require the asset manager to complete a modified monitoring form and perform a site inspection. The grantee may be asked to supply reports such as rent rolls through the mail or fax. The Developer may assist the Asset Manager in performing the site inspection if convenient. The Developer and Asset Manager will recommend a PARTIAL monitoring if the project has the following characteristics:

- Uncomplicated project
- Repeat grantee-same/similar type project
- Grantee had no findings during last monitoring
- Grantee is considered moderate in administrative capacity

Under the same PARTIAL monitoring category the Asset Manager can classify a project as a Self-Certification monitoring. The grantee completes a modified



monitoring form pertaining to the use of the funding award. The self-certification monitoring form is then notarized by the grantee and sent back to the Asset Manager. The Program Manager must approve this type of monitoring in advance.

**MINIMUM** (N - in monthly Oracle Report) - A MINIMUM monitoring can only apply to a continuing program such as the SFOO Rehab, Downpayment, ESG or Section 8 Rental Assistance. This type of monitoring requires only grantee technical assistance if needed, and the contractual monthly/quarterly reporting documents. If a grantee is very high functioning, an on site visit may be delayed for up to two (2) years. The Asset Manager, Developer and Program Manager will only approve this type of monitoring if the project contains the following:

- Grantee has not received any findings or concerns in the past two (2) years.
- Grantee is considered a high-functioning project administrator.

## **PROJECT CLOSE OUT**

HOME, CDBG, ESG and HDG projects are completely closed out upon the final completion of the project. Reporting is required on the following areas:

- Project Description: Full project description summarizing the specific activities undertaken with State funds.
- Actual Accomplishments: List all project accomplishments.
- Remaining Actions: Include any remaining actions and the date of anticipated completion.
- Audits: Name and address of firm selected to do the audit(s) and the date when the audit(s) will be completed.
- Total Actual Expenditures for the Activity: All actual expenditures for each activity and expenditures from other funds are listed. Includes the names of the sources and the total amounts of the funds. Refer to the proposed budget in the contract Scope of Services and compare.
- Project Beneficiaries: Beneficiaries of the project for all activities are listed.
- Program Income: Program income generated will be reported now and in the future.
- Actions to affirmatively further fair housing: Fair housing efforts and complaints will be reported.
- Section 3 and Davis Bacon: All section 3 requirements and Davis Bacon activities will be reported.

## **HOME LONG TERM MONITORING**

HOME funded rental projects are required to comply with HOME regulations through out the term of affordability. CDH conducts an on-site monitoring of these projects based on the number of HOME units funded:

- At least every three years for projects containing one to four units;
- At least every two years for projects containing five to twenty-five units;
- At least once a year for projects containing more than 26 units.

CDH requires yearly rent rolls and eligibility certification by mail in the years between on-site monitoring.

### **CDH Monitoring of Consolidated Plan Goals and Objectives**

CDH monitors its progress in achieving goals and objectives of the Consolidated Plan through use of its Oracle data base which captures details of CDH funding of eligible housing units, projects and leverage; the Integrated Disbursement Information System (IDIS); through periodic reports on housing to the State Legislature; and in completing the Performance Evaluation Reporting System report made annually to HUD.

Compliance with program requirements including timeliness of expenditures are assessed programmatically on an ongoing basis and through accounting and internal audit functions of the Department of Local Affairs.

# STATE OF COLORADO

*Bill Owens, Governor*



## 2006-2007 STRATEGIC ACTION PLAN

Table 2 C - GOALS, ACTIVITIES AND OUTCOME MEASURES



Program Year 1 Action Plan General Questions response:

**1. Describe the geographic areas of the jurisdiction (including areas of low income families and/or racial/minority concentration) in which assistance will be directed during the next year.**

Colorado will direct assistance to all geographic areas of the State, including areas of racial/minority concentration, which exist in many areas of Colorado. These areas Housing activities will prioritize households earning <30% of Area Median Income.

**2. Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) (91.215(a)(1)) during the next year and the rationale for assigning the priorities.**

The basis for allocating HOPWA investments geographically within the Colorado during the next year is in proportion to the occurrence of HIV/AIDS in each of the four non-HOPWA entitlement regions as compared to the total HIV/AIDS non-entitlement population. The four areas are defined as: the Western Slope (West-CAP), the Northern Front Range, (N-CAP); Southern Colorado (SCAP); and Boulder County (B-CAP). This allocation was used because HOPWA service agencies determined a fair, equitable and consistent way to assign HOPWA dollars and is it is needs-based.

**3. Describe actions that will take place during the next year to address obstacles to meeting underserved needs.**

See Section \_\_: Other Action Steps

**4. Identify the lead agency, entity, and agencies responsible for administering programs covered by the consolidated plan.**

The Department of Local Affairs (DOLA), Division of Housing (CDH) is the lead agency responsible for administering programs covered by the Consolidated Plan and Strategic Action Plan for HOME, ESG and HOPWA programs, and CDH shares responsibility with the Division of Local Government and Office of Economic Development for administration of CDBG.

**5. Identify the significant aspects of the process by which the plan was developed, and the agencies, groups, organizations, and others who participated in the process.**

The Annual Action Plan (Strategic Plan) was developed as follows:

- (1) Assessed the current economic, social, housing and infrastructure climates and inventorying current programs in light of those conditions.
- (2) Identified unmet needs of targeted households, determine goals and brainstorm strategies that CDH could employ to address those needs.

3) Developed a draft framework of activities to accomplish the strategies. Concurrently, with this step, CDH began to gather input from other State agencies, including the Governor's Office of Economic Development and International Trade, Colorado Department of Local Affairs, Division of Local Government, the Colorado Department of Human Services (DHS), Supportive Housing and Homeless Programs Division (SHHP), Colorado Housing Finance Authority (CHFA, State of Colorado, Fannie, Mae, U.S. Department of Housing and Urban Development (HUD); U.S. Department of Agricultural, Rural Development (RD); Local Governments throughout the State; Colorado Municipal League (CML); Colorado Counties, Incorporated (CCI), Public Housing Authorities, Community Housing Development Organizations (CHDOs); Mercy Housing, the Enterprise Foundation, the Colorado Aids Project, the Colorado Interagency Council on Homelessness, the three Colorado Continuums of Care; Colorado Coalition for the Homeless; nonprofit service providers, Colorado Housing NOW!, Colorado Affordable Housing Partnership. CDH solicited input, feedback and suggestions that were incorporated into draft documents.

(4) CDH published its formal Draft Strategic Action Plan, for Public Hearings in December, and incorporated comment and suggestion.

**HUD, PLEASE NOTE, CDH** will do its best to comply with the New Performance Based Outcome Matrix for HOME, CDBG, ESG and HOPWA. Indicators may not be available or collectible until subgrantees are notified and trained on new requirements, until CDH forms and databases are updated. Indicators are included here, but we may not be able to provide all of the information because of the quantity, magnitude and detail. Many outcomes will be reported in CAPER narrative.

**6. Describe actions that will take place during the next year to enhance coordination between public and private housing, health, and social service agencies.**

CDH will continue to participate in and facilitate interagency strategies that coordinate housing, health and social service activities of various public and private agencies.

- ❖ The Housing "Pipeline", which includes development staff from CDH, the Colorado Housing Finance Authority (CHFA), Mercy Housing Southwest, the USDA Rural Development (RD), the Department of Housing and Urban Development (HUD), Mile High Loan Fund and Funding Partners. CDH helps facilitate this group which meets six times a year to identify common ground, common projects and issues of mutual interest.
- ❖ The Blue Ribbon Panel on Housing published its recommendations in November 2005 and will begin a statewide process to create broad-based community consensus building. The panel included members from the real estate community; business; the housing finance community; state and local government; higher education; faith-based organizations; homeless service organizations; and providers of public and private housing.
- ❖ The Colorado Interagency Council on Homelessness, is a coordinating body appointed by the Governor, designed to develop a strategic and interdisciplinary approach to ending homelessness. The Council includes representatives of the Governor's Office; Colorado Departments of Local Affairs; Human Services; and Institutions and appropriate sub-agency leaders, Colorado Coalition for the Homeless, Veterans Administration, Social Security Administration, businesses, private foundations, homeless housing and service provider agencies and homeless persons. The ICH expects to conduct two

homeless point in time surveys over the course of the next year. This activity will result in increased collaboration with all levels of government and the nonprofit sector throughout Colorado.

- ❖ Continuums of Care are broad-based, community coordinating organizations that carry out activities and design permanent supportive housing, transitional housing and service components that reduce chronic homelessness and homelessness among families, promote self-sufficiency and prevent additional homelessness. Three Continuum of Care exist in the State of Colorado: Metropolitan Denver Homeless Initiative (includes the seven counties in the Denver MSA, Homeward Pikes Peak Continuum of Care (El Paso County); and the Balance of State Continuum of Care (includes the remaining 56 counties). Each Continuum of Care includes public and private housing, health, and social service agencies, faith based organizations and state and local governments CDH will continue to coordinate with the Continuums of Care to fund housing and shelter projects appropriate to community needs and desires. In funding projects, CDH is cognizant of the federal goal to end chronic homelessness by 2008.
- ❖ Housing Colorado, Inc. is a 501(c)(3) membership organization composed of private- and public-sector housing development agencies, housing authorities, service providers, state and local agencies that provides monthly lunch workshops on housing issues, an affordable housing conference, newsletters and other activities that link and coordinate diverse organizations and interests. CDH will continue to participate in organization.
- ❖ Colorado Chapter, National Association of Housing Redevelopment Organizations (NAHRO) is a statewide trade association for housing authorities and redevelopment agencies. NAHRO sponsors an annual conference which brings together housing officials, service providers and private-sector businesses. CDH will continue its active membership in this organization.
- ❖ Coloradohousingsearch.com is a “one-stop-shop” for information on affordable rentals, for-sale homes and community services. The goal of this website is to help Coloradoans find and maintain affordable, safe, and decent places to live. Colorado Division of Housing partnered with Colorado Housing Finance Authority, U.S. Department of Agriculture-Rural Development and the City and County of Denver in the development of this website. CDH will continue to be active in this collaboration.
- ❖ Rocky Mountain Home Association is a statewide trade association for manufactured and modular housing developers, retailers, insurers, lenders and suppliers. CDH will continue to participate with this organization.
- ❖ Housing Management Association (AHMA) is a nonprofit organization serving the needs of companies and individuals involved with the management of affordable housing in Colorado, Montana, North Dakota, South Dakota, Utah and Wyoming. Members number approximately 60,000 HUD, RHS and tax credit financed properties. AHMA sponsors about 40 trainings each year. CDH will continue active membership in this organization.
- ❖ Colorado Apartment Association (CAA) is a consortium of local apartment associations throughout the state. The apartment associations are membership organizations comprised of rental property owners and others in the apartment industry. CAA has partnered with the Division of Housing in educational efforts designed to serve renters and property managers.

## PROVIDING DECENT HOUSING



## OBJECTIVE: PROVIDING DECENT HOUSING

### **Goal 1:** *Preserve the supply of existing affordable rental housing*

#### ANALYSIS

The Affordable Housing Needs Impact Report identifies that the greatest need for rental units in Colorado is for those with the lowest incomes – at 0-30% AMI. It is at these income levels that we find the most vulnerable and rent-burdened populations. It is therefore, imperative that existing units be preserved. The Division has also prioritized rental units for households with incomes between 31-to 50% AMI, and, finally, units for incomes between 51-80% AMI.

Priority #1:	Small Related Renter Households	(0 - 30% MFI)
	Large Related Renter Households	(0 - 30% MFI)
	Elderly and All Other Households	(0 - 30% MFI)
Priority #2:	Small Related Renter Households	(31 - 50% MFI)
	Large Related Renter Households	(31 - 50% MFI)
	Elderly and All Other Households	(31 - 50% MFI)
Priority #3:	Small Related Renter Households	(51 - 80% MFI)
	Large Related Renter Households	(51 - 80% MFI)
	Elderly and All Other Households	(51 - 80% MFI)

Affordable housing projects are still struggling in many areas of the state. Market rents are below FMR in some areas, and intense competition exists for renters. The Division of Housing will partner with HUD, CHFA, local governments and other agencies to identify and preserve units. To assist projects, CDH will continue restructuring debt, creating market-based solutions such as tenant-based rental assistance, and monitoring of financial and physical conditions of previously funded CDH projects. Funding will be made available for rehabilitation activities, lead-based paint monitoring and compliance, acquisition of properties to add to the affordable housing inventory; the purchase Section 8 project-based units where existing owners are planning to opt-out of Section 8; and foreclosure prevention activities.

The Division will continue to work with other Federal, state, nonprofit agencies to establish and disseminate a list of affordable housing vacancies to increase occupancy rates for those projects.

Division of Housing activities will also enable neighborhood and community revitalization of existing housing stock in partnership with local governments



**RESOURCES**

Funding for preservation of existing affordable housing stock include Division of Housing Grants and RLF, Colorado Housing and Finance Authority Programs, HOME, Federal Low Income Housing Tax Credits, Department of Energy Weatherization Assistance, Low Income Energy Assistance, HUD Section 202, HUD Section 811, Federal Home loan Bank Affordable Housing, USDA/RD Programs, State Historical Grant Funds, State and Federal Historic Tax Credits and other federal, local and private funding sources, and Private Activity Bonds that can be used by local jurisdictions and their development partners to rehabilitate affordable rental housing.

**OBJECTIVE: PROVIDING DECENT HOUSING – Goal 1: Preserve the supply of existing affordable rental housing (If CDBG, define national objective code)**

<b>ACTIVITY NAME: Activity 1. Acquire, rehab and preserve existing affordable rental housing</b>																
Activity Objective -- Choose one		Suitable Living Environment	X	Decent Housing		Economic Opportunity										
Activity Outcome(s) – May choose primary and secondary	X	Affordability		Accessibility	X	Sustainability										
<b>HUD FUNDING SOURCES: CDBG, HOME, HOPWA</b>																
<b>OUTCOME STATEMENTS</b>																
	Create Decent Housing with Improved Affordability					Create Decent Housing with Improved Availability					Create Decent Housing with Improved Sustainability					
Expected result: Preserve 1250 units	Check if this outcome ____					Check if this outcome ____					Check if this outcome X_					
Total number of HOME units																
Of the Total, the number that meet IBC																
Of the Total meeting, IBD, the number meeting Energy Star																
Of the Total HOME units, the number that are 504-accessible																
Of the Total HOME units, the number that are designated for persons with HIV/AIDS																
Of the Total HOME units, the number that are designated for the homeless																
Of those designated for the homeless, the number for the chronically homeless																
Total number of HOME Assisted Units																
Total number of HOME Assisted Units that are 504 Accessible																
Total number of HOME-Assisted Units that are designated for persons with HIV/AIDS																
Total number of HOME-Assisted Units that are designated for the homeless																
Total number of HOME-Assisted Units that are designated for the chronically homeless																
PJ-imposed period of affordability: ____ years																
Amount of money leveraged																
Number of units at income levels 30, 50, 60, 80%, (requirement for HOME and HOPWA Programs)	0-30%	31-50%	51-60%	61-80%		0-30%	31-50%	51-60%	61-80%		0-30%	31-50%	51-60%	61-80%		
Total number of HOPWA units acquired, rehabbed or preserved																
Of total number of HOPWA units, number 504 accessible																
Of total HOPWA units, number designated for the homeless																
PJ imposed period of affordability ____ years																
Total number CDBG Rental Units for Program Year																
Of Total Rental Units, the number of Affordable Units																
Of the Total, the number that meet IBC																
Of the Total meeting, IBD, the number meeting Energy Star																
Of CDBG Affordable Rental Units, the number for persons with HIV/AIDS																
OF CDBG Affordable Rental Units, the number for the chronically homeless																

<b>ACTIVITY NAME: <u>Activity 1. Acquire, rehab and preserve existing affordable rental housing</u></b>						
<b>Activity Objective -- Choose one</b>		<b>Suitable Living Environment</b>	<b>X</b>	<b>Decent Housing</b>		<b>Economic Opportunity</b>
<b>Activity Outcome(s) – May choose primary and secondary</b>	<b>X</b>	<b>Affordability</b>		<b>Accessibility</b>	<b>X</b>	<b>Sustainability</b>
<b>HUD FUNDING SOURCES: CDBG, HOME, HOPWA</b>						
<b>OUTCOME STATEMENTS</b>						
Of total <b>CDBG</b> Rental Units, the number of 504 Accessible Units (5% or 1)						
Of total <b>CDBG</b> Rental Units, the number brought from substandard to standard condition						
Of total <b>CDBG</b> affordable units, % that comply with lead safety rules						100% comply
PJ-imposed period of affordability: ____ years						All units at least 30 years
Of Total <b>CDBG</b> Affordable Units, the Number units of permanent housing designated for homeless persons						
Of permanent affordable units homeless persons, number for the chronically homeless						

## OBJECTIVE: PROVIDING DECENT HOUSING

### **Goal 2:** *Increase the supply of affordable rental housing when it meets community needs*

#### ANALYSIS

The Division of Housing will work in partnership with local communities to fund new construction projects that meet local development priorities and affordable housing needs. Division staff will assist communities in identifying priorities, housing needs, and appropriate financial resources as well as other necessary community assistance. Approval of projects is based on the Division of Housing underwriting standards, compliance with HUD regulations and the CDH prioritization of rental units for incomes and households as follows:

<b>Priority #1:</b>	<b>Small Related Renter Households</b>	<b>(0 - 30% MFI)</b>
	<b>Large Related Renter Households</b>	<b>(0 - 30% MFI)</b>
	<b>Elderly and All Other Households</b>	<b>(0 - 30% MFI)</b>
<b>Priority #2:</b>	<b>Small Related Renter Households</b>	<b>(31 - 50% MFI)</b>
	<b>Large Related Renter Households</b>	<b>(31 - 50% MFI)</b>
	<b>Elderly and All Other Households</b>	<b>(31 - 50% MFI)</b>
<b>Priority #3:</b>	<b>Small Related Renter Households</b>	<b>(51 - 80% MFI)</b>
	<b>Large Related Renter Households</b>	<b>(51 - 80% MFI)</b>
	<b>Elderly and All Other Households</b>	<b>(51 - 80% MFI)</b>

The cost of land is extremely high in many Colorado communities. This is the primary barrier to developing new affordable housing. CDH encourages local government incentives to reduce the cost, acquire sites that can be leased to developers, or increase the density through zoning changes.

As an alternative to constructing new affordable housing units, CDH will fund acquisition and rehab existing housing units that were not previously affordable. Finally, CDH will provide information to remedy the fiscal impact of regulatory barriers that may inhibit or prohibit affordable housing.

#### RESOURCES

Funding sources for increasing the supply of existing affordable housing stock include Division of Housing Grants and RLF, Colorado Housing and Finance Authority Programs, HOME, Federal Low Income Housing Tax Credits, Department of Energy Weatherization Assistance, Low Income Energy Assistance, HUD Section 202, HUD Section 811, Federal Home loan Bank Affordable Housing, USDA/RD Programs, State Historical Grant Funds, State and Federal Historic Tax Credits and other federal, local and private funding sources and Private Activity Bonds that can be used by local jurisdictions and their development partners to rehabilitate affordable rental housing.

**OBJECTIVE: PROVIDING DECENT HOUSING** **Goal 2:** *Increase the supply of affordable rental housing when it meets community needs*

<b>ACTIVITY NAME: Activity 1. New Construction of Rental Units</b>																		
<b>Activity Objective -- Choose one</b>					<b>Suitable Living Environment</b>	<b>X</b>	<b>Decent Housing</b>					<b>Economic Opportunity</b>						
<b>Activity Outcome(s) – May choose primary and secondary</b>				<b>X</b>	<b>Affordability</b>	<b>X</b>	<b>Accessibility</b>					<b>Sustainability</b>						
<b>HUD FUNDING SOURCES: CDBG, HOME, HOPWA (Circle appropriate sources)</b>																		
<b>OUTCOME STATEMENTS</b>																		
				<b>Create Decent Housing with Improved Affordability</b>				<b>Create Decent Housing with Improved Availability</b>				<b>Create Decent Housing with Improved Sustainability</b>						
<b>Expected result: New construction of 350 rental units</b>				<b>Check if this outcome <u>X</u></b>				<b>Check if this outcome <u>X</u></b>				<b>Check if this outcome <u>X</u></b>						
Total # Rental Units for Program Year																		
Total number of <b>HOME</b> units																		
Of the Total, the number that meet IBC																		
Of the Total meeting, IBC, the number meeting Energy Star																		
Of the Total <b>HOME</b> units, the number that are 504-accessible																		
Of the Total <b>HOME</b> units, the number that are designated for persons with HIV/AIDS																		
Of the Total <b>HOME</b> units, the number that are designated for the homeless																		
Of those designated for the homeless, the number for the chronically homeless																		
Total number of <b>HOME</b> Assisted Units																		
Total number of HOME Assisted Units that are 504 Accessible																		
Total number of HOME-Assisted Units that are designated for persons with HIV/AIDS																		
Total number of HOME-Assisted Units that are designated for the homeless																		
Total number of HOME-Assisted Units that are designated for the chronically homeless																		
PJ-imposed period of affordability: ____ years																		
Amount of money leveraged																		
Number of households at income levels 30, 50, 60, 80% of Median (Applies to <b>HOME</b> and <b>HOPWA</b> Programs)				0-30%	31-50%	51-60%	61-80%		0-30%	31-50%	51-60%	61-80%		0-30%	31-50%	51-60%	61-80%	
Total number of <b>HOPWA</b> units constructed																		
Of total number of <b>HOPWA</b> units constructed, number 504 accessible																		
Of total <b>HOPWA</b> units constructed, number designated for the homeless																		
Total number <b>CDBG</b> Rental Constructed Units for Program Year																		
Of Total CDBG Rental Units Constructed, the number of Affordable Units																		
Of the Total, the number that meet IBC																		

**OBJECTIVE: PROVIDING DECENT HOUSING** **Goal 2:** *Increase the supply of affordable rental housing when it meets community needs*

<b>ACTIVITY NAME: Activity 1. New Construction of Rental Units</b>						
<b>Activity Objective -- Choose one</b>		<b>Suitable Living Environment</b>	<b>X</b>	<b>Decent Housing</b>		<b>Economic Opportunity</b>
<b>Activity Outcome(s) – May choose primary and secondary</b>	<b>X</b>	<b>Affordability</b>	<b>X</b>	<b>Accessibility</b>		<b>Sustainability</b>
<b>HUD FUNDING SOURCES: CDBG, HOME, HOPWA (Circle appropriate sources)</b>						
<b>OUTCOME STATEMENTS</b>						
Of the Total meeting, IBC, the number meeting Energy Star						
Of Total <b>CDBG</b> Affordable Rental Units Constructed, the number for persons with HIV/AIDS						
OF Total <b>CDBG</b> Affordable Rental Units Constructed, the number for the chronically homeless						
Of total Affordable <b>CDBG</b> Rental Units Constructed, the number of 504 Accessible Units (5% or 1)						
PJ-imposed period of affordability: ____ years						
CDBG Construction Units occupied by seniors (# units in 202 projects)						
CDBG Construction Units occupied by disabled (# units in 811 projects)						
PJ-imposed period of affordability for each project						

## **OBJECTIVE: PROVIDING DECENT HOUSING**

### **Goal 3: Increase the capacity, stability, participation and independence of local housing and service providers**

#### **ANALYSIS**

Federal, state and local governments cannot build affordable housing by themselves. Rather, their role is to facilitate and fund such development. The role of the developer/builder belongs to nonprofits, housing authorities, and for-profit developers. However, not every community has developers who are both interested and capable of producing affordable housing. Helping to foster that capacity is one of CDH's primary tasks. CDH staff has been aggressive in this activity, especially in the rural non-entitlement areas of the state. CDH organizes many workshops throughout the year in various locations around the state. One popular workshop is called "The Developer's Tool Kit." It covers the entire housing development process: site acquisition, market evaluation, the planning and zoning process, and the creation of financial proformas. Other recent workshops include "Single Family Owner-Occupied Rehabilitation," Downpayment Assistance Programs," "Reducing Housing Costs through Regulatory Reform", Advanced Finance Logic Model, Board Training for Nonprofit Organizations and Vacancy Issue Training. All workshops include a challenging curriculum and participants leave with comprehensive written materials for reference. Some of the workshops are taught exclusively by CDH staff, while others are presented by staff together with other experienced technical assistance providers such as the Rural Community Assistance Corporation.

CDH staff also provide intensive, on-going, one-on-one assistance to community housing developers on many topics. Staff help to evaluate potential sites, identify project funding sources, prepare application packets, create reasonable budgets, understand value engineering and cost-effective construction methods, and devise management policies. Since some projects take in excess of one year to move from concept to funding, Division staff often have a long-term investment in individual communities.

Local capacity to respond to housing opportunities has not always existed. To work effectively in the state's current economic environment, strong, experienced executive directors and board leadership are required. CDH staff are involved at a grass roots level with many communities to organize nonprofits to address local housing needs. In 2005, CDH had 27 certified CHDOs throughout the state. CHDOs receive support from Division staff, including training, new board and staff members in housing finance, federal regulations, and board responsibilities. CDH will develop additional workshops that assist nonprofits to develop strategies to address difficult market conditions.

Beyond housing development, housing-related service providers are also important to local communities. CDH staff work with nonprofit agencies to build shelters and transitional housing for homeless people. CDH also supports the efforts of local housing

authorities, who do much more than run public housing projects. They also administer HUD's Section 8 program, which provides rental assistance to very low income families.

Section 8 families participate in Family Self Sufficiency (FSS) programs operated by local housing authorities. This program networks the supportive services within the community to assist the families moving beyond public assistance, including the section 8 program. CDH assists each agency in developing the HUD required administrative fees to administer the Section 8 program, CDH provides funding to pay for service coordinators. CDH manages "escrow accounts" that the FSS family can access for permanent housing or education once they have met their program goals. Division staff provide problem-solving assistance and training to the agencies and help build the capacity of small agencies to apply directly to HUD for funding. In addition, the CDH Section 8 program assists special populations such as the homeless with drug abuse problems, individuals with AIDS and victims of domestic violence.

## **RESOURCES**

Funding sources for increasing the supply of existing affordable housing stock include Division of Housing Grants and RLF, Colorado Housing and Finance Authority Programs, HOME, Federal Low Income Housing Tax Credits, Department of Energy Weatherization Assistance, Low Income Energy Assistance, HUD Section 202, HUD Section 811, Federal Home loan Bank Affordable Housing, USDA/RD Programs, State Historical Grant Funds, State and Federal Historic Tax Credits and other federal, local and private funding sources and Private Activity Bonds that can be used by local jurisdictions and their development partners to rehabilitate affordable rental housing.



<b>OBJECTIVE: PROVIDING DECENT HOUSING – Goal 3:</b> Increase the capacity, stability, participation and independence of local housing and service providers <u>(Will be reported in CAPER)</u>						
<b>ACTIVITY NAME: <u>Activity 1.</u> Provide workshops and trainings that help increase capacity, stability, participation and independence of local housing and service providers.</b>						
Activity Objective -- Choose one		Suitable Living Environment	X	Decent Housing		Economic Opportunity
Activity Outcome(s) – May choose primary and secondary		Affordability		Accessibility		Sustainability X
<b>HUD FUNDING SOURCES: HOME</b>						
<b>OUTCOME STATEMENTS</b>						
	Create Decent Housing with Improved Affordability	Create Decent Housing with Improved Availability	Create Decent Housing with Improved Sustainability			
Expected Result: 10 trainings	Check if this outcome __	Check if this outcome __	Check if this outcome _x_			
Total # Trainings						

<b>ACTIVITY NAME: <u>Activity 2.</u> Provide direct financial assistance to CHDOs</b>						
Activity Objective -- Choose one		Suitable Living Environment	X	Decent Housing		Economic Opportunity
Activity Outcome(s) – May choose primary and secondary		Affordability		Accessibility		Sustainability X
<b>HUD FUNDING SOURCES: CDBG, HOME, ESG, HOPWA</b>						
<b>OUTCOME STATEMENTS</b>						
	Create Decent Housing with Improved Affordability	Create Decent Housing with Improved Availability	Create Decent Housing with Improved Sustainability			
Expected Result: 8 CHDO Operating Grants	Check if this outcome __	Check if this outcome __	Check if this outcome _x_			
# of CHDO operating fund grants provided for expanded services						

<b>ACTIVITY NAME: <u>Activity 3. Encourage local communities to conduct housing needs assessments in their communities</u></b>						
<b>Activity Objective --</b> Choose one		<b>Suitable Living Environment</b>	<b>X</b>	<b>Decent Housing</b>		<b>Economic Opportunity</b>
<b>Activity Outcome(s) –</b> May choose primary and secondary		<b>Affordability</b>		<b>Accessibility</b> X		<b>Sustainability</b>
<b>OUTCOME STATEMENTS</b>						
	<b>Create Decent Housing with Improved Affordability</b>	<b>Create Decent Housing with Improved Availability</b>	<b>Create Decent Housing with Improved Sustainability</b>			
Expected result: 7 new needs assessments	Check if this outcome <u>  </u>	Check if this outcome <u>  X  </u>	Check if this outcome <u>  x  </u>			
# of new needs assessments						

## **OBJECTIVE: PROVIDING DECENT HOUSING**

**Goal 4:** *Increase and maintain homeownership for low and moderate-income households and minorities*

### **ANALYSIS**

Downpayment and closing cost assistance, and infrastructure financing can assist low and moderate-income households become homeowners. Pre- and post-homeownership counseling are important activities that may assist households in maintaining homeownership, and foreclosure prevention is another important tool to help maintain housing stability. Low interest loans can assist in the rehabilitation of single-family homes and condominiums.

In the past, low interest rates allowed many Colorado households to become owners. The rise of interest rates in 2005, however, means that homeownership will be more difficult for many households. The 2004 Affordable Housing Needs Impact report (not yet available for 2005) found that there were 121,064 renter households earning between 51% and 80% AMI. This is the group most likely to become owners.

The Bush Administration has made low-income and minority homeownership a priority. Organizations such as Fannie Mae, Freddie Mac, CHFA and other lenders are creating programs that will help meet the goals set for homeownership.

Households with incomes at less than 60% AMI are unlikely to be able to afford homeownership in Colorado without the assistance of a self-help program such as Habitat for Humanity. Down payment and closing cost assistance, as well as increasing the stock of affordable units for sale, are needed to increase Colorado's homeownership rate.

### **RESOURCES**

Funding sources for increasing the supply of existing affordable housing stock include Division of Housing Grants and RLF, Colorado Housing and Finance Authority Programs, HOME, Federal Low Income Housing Tax Credits, Department of Energy Weatherization Assistance, Low Income Energy Assistance, HUD Section 202, HUD Section 811, Federal Home loan Bank Affordable Housing, USDA/RD Programs, State Historical Grant Funds, State and Federal Historic Tax Credits and other federal, local and private funding sources and Private Activity Bonds that can be used by local jurisdictions and their development partners to rehabilitate affordable rental housing.

<b>OBJECTIVE: PROVIDING DECENT HOUSING – Goal 4: Increase and preserve homeownership for low and moderate-income households</b>						
<b>ACTIVITY NAME: Activity 1. Provide downpayment assistance through local housing providers</b>						
<b>Activity Objective -- Choose one</b>		Suitable Living Environment		Decent Housing x		Economic Opportunity
<b>Activity Outcome(s) – May choose primary and secondary</b>		<b>Affordability</b>		<b>Accessibility</b>		<b>Sustainability</b>
<b>HUD FUNDING SOURCES: CDBG, HOME (Includes ADDI)</b>						
	<b>Create Decent Housing with Improved Affordability</b>	<b>Create Decent Housing with Improved Availability</b>	<b>Create Decent Housing with Improved Sustainability</b>			
Expected results: 200 Homebuyer Assistance	Check if this outcome <u>  X  </u>	Check if this outcome <u>    </u>	Check if this outcome <u>    </u>			
Total of HOME Program Homebuyer Completed Units						
Of the Total, the number that meet IBC						
Of the Total meeting, IBD, the number meeting Energy Star						
Of Total HOME Program Homebuyer Completed Units, the number HOME-assisted						
Number Home Program Homebuyer Completed Units that are 504-accessible						
Total number of years of affordability imposed by PJ for each HOME project						
Homebuyer Beneficiary Information (as currently exists in IDIS) for each HOME unit						
CDBG Total Number Units Direct Financial Assistance to Homebuyers for Program Year						
CDBG - Of the total units, specify the number of units that apply:						
#First-time homebuyers						
Of these, # receiving housing counseling						
# Subordinate mortgage						
# Mortgage buydown						

<b>ACTIVITY NAME: <u>Activity 2. Provide funding for rehabilitation and new construction of low- and moderate-income, single family owner occupied units through local housing providers</u></b>																								
Activity Objective -- Choose one						Suitable Living Environment				Decent Housing x				Economic Opportunity										
Activity Outcome(s) – May choose primary and secondary						Affordability				Accessibility				Sustainability										
HUD FUNDING SOURCES: CDBG, HOME, ADDI																								
<b>OUTCOME STATEMENTS</b>																								
					Create Decent Housing with Improved Affordability					Create Decent Housing with Improved Availability					Create Decent Housing with Improved Sustainability									
Expected results: 200 units rehabbed; 25 units newly constructed					Check if this outcome <u>  X  </u>					Check if this outcome <u>    </u>					Check if this outcome <u>    </u>									
Total rehabbed single family owner-occupied units																								
Total single family homeownership units constructed																								
Number of households at income levels 30, 50, 60, 80% of Median					0-30%	31-50%	51-60%	61-80%		0-30%	31-50%	51-60%	61-80%		0-30%	31-50%	51-60%	61-80%						
Race					# HH Served of Whom are Hispanic					# HH Served of Whom are Hispanic					# HH Served of Whom are Hispanic									
					White																			
					Black/Af. Amer																			
					Asian																			
					Amer. Ind. /AN																			
					Pacif. Islander																			
					AI/AN + W																			
					Asian & W																			
					B/Af. Amer + W																			
					AI/AN & B/Af. A																			

**ACTIVITY NAME: Activity 2. Provide funding for rehabilitation and new construction of low- and moderate-income, single family owner occupied units through local housing providers**

<b>Activity Objective -- Choose one</b>		Suitable Living Environment		Decent Housing x		Economic Opportunity
<b>Activity Outcome(s) – May choose primary and secondary</b>		<b>Affordability</b>		<b>Accessibility</b>		<b>Sustainability</b>

**HUD FUNDING SOURCES: CDBG, HOME, ADDI**

OUTCOME STATEMENTS							
	Other Multi Racial.						
	TOTAL	<b>Created Decent Housing with Improved Affordability</b>	<b>Created Decent Housing with Improved Availability</b>	<b>Created Decent Housing with Improved Sustainability</b>			
Of the total units, specify the number of units that apply:							
Of the Total, the number that meet IBC							
Of the Total meeting, IBD, the number meeting Energy Star							
Units moved from substandard to standard (code)							
Of those number made Section 504 accessible (5% or at least 1 unit)							
% of units compliant with lead safety rules			100%				

<b>ACTIVITY NAME:</b> <i>Activity 3. Prevent mortgage foreclosures by providing funding assistance to approved housing agencies (Will be reported in CAPER)</i>						
<b>Activity Objective</b> -- Choose one		Suitable Living Environment		Decent Housing		Economic Opportunity
<b>Activity Outcome(s)</b> – May choose primary and secondary		<b>Affordability</b>		<b>Accessibility</b>		<b>Sustainability</b>
<b>OUTCOME STATEMENTS</b>						
	Create Decent Housing with Improved Affordability		Create Decent Housing with Improved Availability		Create Decent Housing with Improved Sustainability	
Expected results: 10 households assisted	Check if this outcome <u>  X  </u>		Check if this outcome <u>    </u>		Check if this outcome <u>    </u>	
# of households assisted						

## **OBJECTIVE: PROVIDING DECENT HOUSING**

### **Goal 5: Meet the community needs for homeless shelter beds and supportive services that foster independence**

#### **ANALYSIS**

It is important to assist communities in providing homeless facilities, beds or infrastructure where needed. Outside of the Denver Metro area, regional shelters for homeless people and victims of domestic violence are the most effective way of delivering service. These shelters are primarily located in the regional population and trade center for a particular area.

Homelessness exists in most communities in Colorado. The real estate market may make it difficult for the lowest income families to find an affordable place to live. Often these persons have mental, physical or substance abuse problems that may require additional supportive services. In rural Colorado, domestic violence is one of the main causes of homelessness.

Emergency shelters in urban areas are no longer able to meet the demand for sheltering families or individuals. In many instances, services are provided to the same persons for a long period of time due to the client's inability to stabilize and move to housing. The "Housing First" model places homeless persons into housing as quickly as possible, and, once families are stabilized, connects those families with service. Colorado is working towards this approach.

#### **RESOURCES**

Funding will be available for the following activities: acquisition, substantial and moderate rehabilitation, new construction, related infrastructure, tenant-based rental assistance and/or support services and operating costs through the following programs: Division of Housing Grants, "Small Cities" Community Development Block Grant, ESG, HOME State Homeless Tax Check-off Fund, and Stewart McKinney Programs.



<b>OBJECTIVE: PROVIDING DECENT HOUSING – <span style="background-color: yellow;">Goal 5:</span> Meet the community needs for homeless shelter beds and supportive services that foster independence</b>						
<b>ACTIVITY NAME: <u>Activity 1.</u> Provide funding to meet the need for homeless beds</b>						
Activity Objective -- Choose one		Suitable Living Environment	X	Decent Housing		Economic Opportunity
Activity Outcome(s) – May choose primary and secondary		Affordability		Accessibility	X	Sustainability
<b>HUD FUNDING SOURCES: CDBG, ESG</b>						
<b>OUTCOME STATEMENTS</b>						
	<b>Create Decent Housing with Improved Affordability</b>	<b>Create Decent Housing with Improved Availability</b>	<b>Create Decent Housing with Improved Sustainability</b>			
Expected results: 75 shelter beds funded	Check if this outcome <u>  </u>	Check if this outcome <u>  X  </u>	Check if this outcome <u>      </u>			
Total shelter beds for the program year YYYY						
Of the <u>XXX</u> number of persons assisted, enter the number that now have access to this service or benefit (Pertains to Public Services)						
Of the <u>XXX</u> number of persons assisted, enter the number that now have improved access to this service or benefit (Pertains to Public Services)						
Of the XXX number of persons assisted, enter the number that no longer have substandard access to this service or benefit (Pertains to Public Services)						
Amount of Money Leveraged						
Homeless persons stabilized due to access to overnight shelter or other emergency housing support (Pertains to Public Services)						

## GOAL 5 Continued

**ACTIVITY NAME: Activity 2. Provide funding to meet the need for supportive services for low-income and homeless persons**

Activity Objective -- Choose one		Suitable Living Environment	X	Decent Housing		Economic Opportunity
Activity Outcome(s) – May choose primary and secondary		Affordability	X	Accessibility		Sustainability

**HUD FUNDING SOURCES: CDBG, ESG****OUTCOME STATEMENTS**

		Create Decent Housing with Improved Affordability					Create Decent Housing with Improved Availability					Create Decent Housing with Improved Sustainability				
Expected results: 20,000 persons assisted		Check if this outcome ___					Check if this outcome <u>X</u>					Check if this outcome ___				
Number of homeless persons assisted																
Number of households at income levels 30, 50, 60, 80% of Median		30%	50%	60%	80%	+80%	30%	50%	60%	80%	+80%	30%	50%	60%	80%	+80%
Race		# Served of Whom ___ are Hispanic					# Served of Whom ___ are Hispanic					# Served of Whom ___ are Hispanic				
		White														
		Black/Af. Amer														
		Asian														
		Amer. Ind. /AN														
		Pacif. Islander														
		AI/AN + W														
		Asian & W														
		B/Af. Amer + W														
		AI/AN & B/Af. A														
		Other Multi Racial.														
		TOTAL														

## GOAL 5 Continued

<b>ACTIVITY NAME: <u>Activity 2.</u> Provide funding to meet the need for supportive services for special populations (Continued)</b>						
Activity Objective -- Choose one		Suitable Living Environment	X	Decent Housing		Economic Opportunity
Activity Outcome(s) – May choose primary and secondary		Affordability	X	Accessibility		Sustainability
HUD FUNDING SOURCES: CDBG, ESG, HOPWA						
OUTCOME STATEMENTS						
	Create Decent Housing with Improved Affordability	Create Decent Housing with Improved Availability	Create Decent Housing with Improved Sustainability			
	Check if this outcome __	Check if this outcome _X_	Check if this outcome ____			
Of Number of persons assisted, Number with new access to a service						
Of Number of persons assisted, the number with improved access to a service						
Total amount subsidized by another Federal Program						
Specify Subsidy Program(s) and amounts						
Number of households that received emergency financial assistance to prevent homelessness						
Number of households that received emergency legal assistance to prevent homelessness						

## GOAL 5 Continued

<b>ACTIVITY NAME: <u>Activity 3.</u> Reconfigure the Interagency Council on Homelessness to set a 10-year statewide plan (Will be reported in CAPER)</b>						
Activity Objective -- Choose one		Suitable Living Environment	X	Decent Housing		Economic Opportunity
Activity Outcome(s) – May choose primary and secondary		Affordability	X	Accessibility		Sustainability
HUD FUNDING SOURCES:						
OUTCOME STATEMENTS						
	Create Decent Housing with Improved Affordability	Create Decent Housing with Improved Availability	Create Decent Housing with Improved Sustainability			
	Check if this outcome __	Check if this outcome __	Check if this outcome _x_			
Development of Statewide 10-year Plan						

## GOAL 5 Continued

<b>ACTIVITY NAME: <u>Activity 4. Conduct Statewide Point-in-Time Survey of the Homeless (Will be reported in CAPER)</u></b>						
Activity Objective -- Choose one		Suitable Living Environment	X	Decent Housing		Economic Opportunity
Activity Outcome(s) – May choose primary and secondary		Affordability	X	Accessibility		Sustainability
HUD FUNDING SOURCES: CDBG, ESG, HOPWA						
OUTCOME STATEMENTS						
	Create Decent Housing with Improved Affordability	Create Decent Housing with Improved Availability	Create Decent Housing with Improved Sustainability			
	Check if this outcome <u>    </u>	Check if this outcome <u>  X  </u>	Check if this outcome <u>    </u>			
Survey conducted for all 64 Colorado Counties						

## GOAL 5 Continued

<b>ACTIVITY NAME: <u>Activity 5. Develop a one-stop shop for the homeless (Will be reported in CAPER)</u></b>						
Activity Objective -- Choose one		Suitable Living Environment	X	Decent Housing		Economic Opportunity
Activity Outcome(s) – May choose primary and secondary		Affordability	X	Accessibility		Sustainability
HUD FUNDING SOURCES: CDBG, ESG, HOPWA						
OUTCOME STATEMENTS						
	Create Decent Housing with Improved Affordability	Create Decent Housing with Improved Availability	Create Decent Housing with Improved Sustainability			
	Check if this outcome <u>    </u>	Check if this outcome <u>  X  </u>	Check if this outcome <u>    </u>			
One-stop shop is developed for the homeless						

## **OBJECTIVE: PROVIDING DECENT HOUSING**

**Goal 6:** *Assist in creating an adequate supply of housing for persons with special needs coupled with appropriate services that increase independence.*

### **ANALYSIS**

Housing assistance for persons with special needs is a priority for the State of Colorado. Many of the lowest income persons in Colorado are those with special needs. Persons living on SSI or small social security checks cannot afford to pay market rents or market rates at assisted living facilities. An individual living on SSI IN Colorado would have to spend 92% of their income for an efficiency rental unit in Colorado. The Colorado Department of Human Services Supportive Housing and Homeless Programs office estimates that there are 10,276 persons with disabilities that need subsidized housing in Colorado. Since many of the institutional residential settings for persons with developmental disabilities and mental illness have closed, more housing is needed for these persons linked with supportive service. Federal, state and local governments cannot build affordable housing by themselves. Rather, their role is to facilitate and fund such development.

### **RESOURCES**

Funding will be available for the following activities: acquisition, substantial and moderate rehabilitation, new construction, related infrastructure, tenant-based rental assistance and/or support services and operating costs through the following programs: Division of Housing Grants, "Small Cities" Community Development Block Grant, ESG, HOME, HOPWA and Stewart McKinney Programs.

<b>OBJECTIVE: PROVIDING DECENT HOUSING – <u>Goal 6:</u> Assist in creating an adequate supply of housing for persons with special needs coupled with appropriate services that increase independence.</b>															
<b>ACTIVITY NAME: <u>Activity 1. Fund Tenant Based Rental Assistance targeted to special populations in appropriate market conditions</u></b>															
Activity Objective -- Choose one				Suitable Living Environment		Decent Housing		Economic Opportunity							
Activity Outcome(s) – May choose primary and secondary				Affordability		X Availability		Sustainability							
<b>HUD FUNDING SOURCES: HOME, HOPWA</b>															
<b>OUTCOME STATEMENTS</b>															
(Special needs are defined as persons whose housing needs cannot be fully addressed without supportive services. Special populations are persons with physical disabilities, mental illness, developmental disabilities, people with AIDS and frail elderly persons). Expected results: 200 households served with TBRA				<b>Create Decent Housing with Improved Affordability</b>				<b>Create Decent Housing with Improved Availability</b>				<b>Create Decent Housing with Improved Sustainability</b>			
				Check if this outcome <u>  X  </u>				Check if this outcome <u>  X  </u>				Check if this outcome <u>    </u>			
Total # Rental Units subsidized with TBRA															
Number of households at income levels 30, 50% of Median				30%	50%			30%	50%			30%	50%		
Race				# Served of Whom <u>    </u> are Hispanic				# Served of Whom <u>    </u> are Hispanic				# Served of Whom <u>    </u> are Hispanic			
White															
Black/Af. Amer															
Asian															
Amer. Ind. /AN															
Pacif. Islander															
AI/AN + W															
Asian & W															
B/Af. Amer + W															
AI/AN & B/Af. A															
Other Multi Racial.															
TOTAL															

**OBJECTIVE: PROVIDING DECENT HOUSING – Goal 6: Assist in creating an adequate supply of housing for persons with special needs coupled with appropriate services that increase independence.**

**ACTIVITY NAME: Activity 1. Fund Tenant Based Rental Assistance targeted to special populations in appropriate market conditions**

Activity Objective -- Choose one		Suitable Living Environment		Decent Housing		Economic Opportunity
Activity Outcome(s) – May choose primary and secondary		Affordability	X	Availability		Sustainability

**HUD FUNDING SOURCES: HOME, HOPWA**

**OUTCOME STATEMENTS**

		Created Decent Housing with Improved Affordability	Created Decent Housing with Improved Availability	Created Decent Housing with Improved Sustainability
Number units with short-term rental assistance				
Of the Total, the number that meet IBC				
<u>Number of persons with improved housing</u>				
Of the Total meeting, IBD, the number meeting Energy Star				
Amount of dollars leveraged				
Number units designated for persons with HIV/AIDS				
Number units designated for homeless				
Of those, number assisting chronically homeless				

## OBJECTIVE: PROVIDING DECENT HOUSING

**Goal 7:** *Increase housing opportunities in revitalized neighborhoods and high land cost areas of Colorado.*

### ANALYSIS

There is a need in many Colorado communities to revitalize the economic base and, at the same time, to increase affordable housing opportunities for the workforce. The Division is willing to fund new construction or residential or mixed use redevelopment in cooperation with local communities, school districts, and/or other special districts opportunities in revitalized in redeveloping neighborhoods and high land cost areas of the state.

### RESOURCES:

Funding for new housing opportunities or housing rehabilitation may occur through the following programs: Division of Housing Grants and RLF, Colorado Housing and Finance Authority Programs, HOME, CDBG (in non-entitlement areas only) Federal Low Income Housing Tax Credits, New Market Tax Credits, School Districts, Special Districts, Counties and Municipalities, Department of Energy Weatherization Assistance, Low Energy Income Assistance, Federal Home Loan Bank Affordable Housing, USDA/RD programs, State Historical Grant Funds, State and Federal Historic tax Credits, other federal local and private funding sources.



OBJECTIVE: PROVIDING DECENT HOUSING – <b>Goal 7:</b> Increase housing opportunities in revitalized neighborhoods and high land cost areas. <b>(Will be reported in CAPER)</b>						
ACTIVITY NAME: <b><u>Activity 1.</u></b> Create partnerships with local governments and neighborhood organizations to jointly fund residential redevelopment projects school districts and special districts to jointly fund residential redevelopment projects.						
Activity Objective -- Choose one		Suitable Living Environment	<b>X</b>	Decent Housing		Economic Opportunity
Activity Outcome(s) – May choose primary and secondary		<b>Affordability</b>		<b>Accessibility</b>	<b>X</b>	<b>Sustainability</b>
HUD FUNDING SOURCES: CDBG, HOME, ESG, HOPWA (Circle appropriate sources)						
<b>OUTCOME STATEMENTS</b>						
Expected results: 3 partnerships developed in high land cost or redeveloping communities	Create Decent Housing with Improved Affordability	Create Decent Housing with Improved Availability	Create Decent Housing with Improved Sustainability			
	Check if this outcome ____	Check if this outcome ____	Check if this outcome <b>X_</b>			
# of local partnerships with local governments and neighborhood organizations						

## OBJECTIVE: PROVIDING DECENT HOUSING

**OBJECTIVE: PROVIDING DECENT HOUSING – *Goal 8: Provide community at-large and policy-maker education and outreach about housing issues so that communities are better able to meet their housing needs***

### ANALYSIS

Colorado is an extremely diverse state. Different portions of the state can have very different compositions in their workforce. Presently, many areas of Colorado are soliciting particular types of jobs that do not pay wages that allow workers to live and work within the same region. In order to ensure that adequate housing is available for workers and citizens within all regions of the state, it is essential that the Division of Housing be able to understand the economic realities of each region.

To use resources most efficiently, it is necessary for the Division of Housing to be able to form a statewide vision for how housing resources can best be employed. This will be done through education and outreach initiatives that will build CDH knowledge of statewide needs. Our resources to accomplish this include Blue Ribbon Panel meetings, local housing forums, our publications and web-site resources, our data services, trainings, forums and brown bag luncheons. All of these tools will allow us to educate local community members, and this in turn, will allow them to give us more meaningful information on what vision they have for housing in their communities. Once CDH can determine what the unique needs of communities are throughout the state, the role of CDH will be to assist those communities with compiling data, making needs assessments, and calculating exactly their housing needs. It is also essential that CDH assist local communities with communicating with surrounding communities and building a regional outlook on housing.

### RESOURCES

To augment our current resources, the Division of Housing will work with a variety of different organizations to form partnerships and to maximize the utilization of our resources. Such partnerships and organizational outreach will include working with private sector developers and organization, nonprofit organization, local governments, public housing authorities, urban renewal organizations trade associations, and charitable foundations. Events that we plan to utilize to help us accomplish these goals include “Philanthropy Days” events, Colorado Housing Council meetings, Office of Smart Growth workshops and the Colorado Housing Now conference.

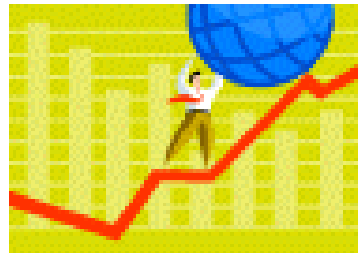
**OBJECTIVE: PROVIDING DECENT HOUSING – Goal 8: Provide community at-large and policy-maker education and outreach about housing issues so that communities are better able to meet their housing needs**

<b>ACTIVITY NAME: <u>Activity 1</u>. Enhance community education and outreach through CDH Website (Will be reported in CAPER)</b>						
<b>Activity Objective -- Choose one</b>		Suitable Living Environment	<b>X</b>	Decent Housing		Economic Opportunity
<b>Activity Outcome(s) – May choose primary and secondary</b>		<b>Affordability</b>		<b>Accessibility</b>	<b>X</b>	<b>Sustainability</b>
<b>HUD FUNDING SOURCES:</b>						
<b>OUTCOME STATEMENTS</b>						
	<b>Create Decent Housing with Improved Affordability</b>	<b>Create Decent Housing with Improved Availability</b>	<b>Create Decent Housing with Improved Sustainability</b>			
Expected result: 10 new publications on website	Check if this outcome ____	Check if this outcome ____	Check if this outcome <b>X_</b>			
Number of new publications on website						

<b>ACTIVITY NAME: <u>Activity 2</u>. Increase participation of local policy-makers (Will be reported in CAPER)</b>						
<b>Activity Objective -- Choose one</b>		Suitable Living Environment	<b>X</b>	Decent Housing		Economic Opportunity
<b>Activity Outcome(s) – May choose primary and secondary</b>		<b>Affordability</b>		<b>Accessibility</b>	<b>X</b>	<b>Sustainability</b>
<b>HUD FUNDING SOURCES: CDBG, HOME, ESG, HOPWA (Circle appropriate sources)</b>						
<b>OUTCOME STATEMENTS</b>						
	<b>Create Decent Housing with Improved Affordability</b>	<b>Create Decent Housing with Improved Availability</b>	<b>Create Decent Housing with Improved Sustainability</b>			
Expected results: 200	Check if this outcome ____	Check if this outcome ____	Check if this outcome <b>X_</b>			
# of policy-makers participating in CDH events and training						

<b>ACTIVITY NAME: <u>Activity 3.</u> Create and promote training opportunities for CDH partners including workshops and conferences (Will be reported in CAPER)</b>						
<b>Activity Objective -- Choose one</b>		Suitable Living Environment	<b>X</b>	Decent Housing		Economic Opportunity
<b>Activity Outcome(s) – May choose primary and secondary</b>		<b>Affordability</b>		<b>Accessibility</b>	<b>X</b>	<b>Sustainability</b>
<b>HUD FUNDING SOURCES: CDBG, HOME, ESG, HOPWA (Circle appropriate sources)</b>						
<b>OUTCOME STATEMENTS</b>						
Expected results; 8 trainings	<b>Create Decent Housing with Improved Affordability</b>	<b>Create Decent Housing with Improved Availability</b>	<b>Create Decent Housing with Improved Sustainability</b>			
	Check if this outcome ____	Check if this outcome ____	Check if this outcome <b>X_</b>			
Number of technical and professional trainings regional conferences on housing issues						

# CREATING ECONOMIC OPPORTUNITIES



**OBJECTIVE: PROVIDING ECONOMIC OPPORTUNITY– *Goal 9: Provide financial and technical assistance to businesses to create or retain jobs***

**ANALYSIS**

The Executive Director of the Colorado Governor's Office of Economic Development and International Trade (OEDIT) is responsible for setting the overall economic development vision for the state while at the same time being responsive to individualized needs. OEDIT is comprised of the International Trade Division, the Business Development Division, the Business Finance Division, the Tourism Division, and the Specialty Programs Division (including Small Business Development Centers).

OEDIT works closely with the Colorado Economic Developers Council of Colorado, local economic developers, community leaders, financial leaders, business leaders, local citizens and others to obtain input on economic development policies, strategies, and priorities.

OEDIT works extensively with Colorado communities to sustain, stabilize and expand their economies. Jobs are a key measure of economic vitality and thus receive significant attention. However, economic development needs and local economic development capacity throughout the state are varied and thus OEDIT's services are customized to meet the needs and goals of each community.

OEDIT is focused on communicating, integrating and promoting a spirit of teamwork (positive culture) and individual responsibility. In 2004, OEDIT launched a bi-weekly newsletter targeted to those persons/entities interested in learning more about the following specific topics and to create continued awareness: International Trade, Business Development, Business Finance, Bio Sciences and Emerging Industries, Small Business Development Centers, Minority and Women-Owned Businesses, and Colorado Opportunities in addition to a newsletter targeted to decision makers. Through the newsletters, Business Development staff located in the regions they serve, marketing seminars, and direct program contact with communities, OEDIT is dedicated to creating awareness of its programs and services and conversely, making OEDIT's services and programs available to all Colorado communities.

**RESOURCES**

The Colorado Governor's Office of Economic Development and International Trade (OEDIT) will utilize its funds and programs such as technical assistance provided by the Business Development Division and financial assistance provided by the Colorado Economic Development Commission, Community Development Block Grant funds, the Certified Capital Companies' Program, the Venture Capital Authority and its other programs to increase economic opportunities in Colorado. Additionally, OEDIT will work with a variety of federal and state agencies, local economic developers, and private entities.

# CREATING ECONOMIC OPPORTUNITIES

**OBJECTIVE: PROVIDING ECONOMIC OPPORTUNITY–** Goal 9: *Provide financial and technical assistance to businesses to create or retain jobs*

**ACTIVITY NAME:** Provide financial and technical assistance to businesses that create or retain jobs in Colorado, primarily funding projects that benefit low and moderate income persons.

<b>Activity Objective --</b> Choose one		Suitable Living Environment		Decent Housing	X	Economic Opportunity
<b>Activity Outcome(s) –</b> May choose primary and secondary		<b>Affordability</b>		<b>Accessibility</b>	<b>X</b>	<b>Sustainability</b>

**HUD FUNDING SOURCES:** CDBG, HOME, ESG, HOPWA (Circle appropriate sources)

## OUTCOME STATEMENTS

Economic Development Activity: Provide financial and technical assistance to businesses that will create or retain jobs in Colorado, primarily funding projects that benefit low and moderate income persons.	Created Economic Opportunity with Improved Affordability	Created Economic Opportunity with Improved Availability	Created Economic Opportunity with Improved Sustainability
	Check if this outcome ____	Check if this outcome ____	Check if this outcome <u>X</u>
Total # jobs created or retained			
Amount of Leveraging with sources reported			
% of jobs filled by primarily low and moderate income persons			

# CREATING A SUITABLE LIVING ENVIRONMENT





## **OBJECTIVE: Provide a Suitable Living Environment**

**Goal 10:** *Help improve the leadership and governing capacities of Colorado Communities.*

### **ANALYSIS**

The Division of Local Government (DLG) provides professional assistance to local governments in many areas of financial management. DLG offers a series of workshops on topics of current financial management and/or budgeting interest, such as: investments and cash management, borrowing money, revenues, expenditures, fiscal policies, banking, and trend analysis and projections.

Colorado law requires most local governments to prepare, adopt and file an annual financial plan. If a local government levies property tax, the budget must be adopted before certification of the levy. DLG provides assistance in operating and capital budgeting, policy development and budget preparation and effects of TABOR, (Taxpayers Bill of Rights).

DLG research staff maintain databases containing historical financial information for Colorado's counties, municipalities and special districts. The information is gleaned from local government financial statements and is used by citizens, taxpayer groups and both public and private sector analysts to develop financial trends and projections, measure the impact of growth and annexation, create and assess public policy, compare revenues and expenditures of local governments, and make important decisions, and understanding local tax matters or the issuance of public debt.

### **RESOURCES**

Funding for these project activities will be provided through the following programs and organizational unit: Division of Local Government in cooperation with other State and Federal programs, "Small Cities" Community Development Block Grant Program, State Energy Impact Assistance Program, Limited Gaming Impact Funds, State Water and Power Resources Authority, Colorado Water and Conservation Board, and other State and Federal programs too numerous to mention. All requests for funding will be through an open and competitive process. Applications for assistance that are "complete" and "competitive" are given greater consideration than those that are not.

## OBJECTIVE: PROVIDE A SUITABLE LIVING ENVIRONMENT

**Goal 10:** *Improve leadership and governing capacities in Colorado communities.*

<b>ACTIVITY NAME:</b> <u>Activity 1.</u> Conduct formal and informal training sessions for local officials and staff						
Activity Objective -- Choose one	<b>X</b>	Suitable Living Environment		Decent Housing		Economic Opportunity
Activity Outcome(s) – May choose primary and secondary		Affordability		Accessibility	<b>X</b>	Sustainability
<b>HUD FUNDING SOURCES:</b> CDBG)						
<b>OUTCOME STATEMENTS</b>						
Activity 1. Conduct formal and informal training sessions for local officials and staff.		Enhance Suitable Living Environment Through Improved/New Accessibility.		Enhance Suitable Living Environment Through Improved/New Affordability.		Enhance Suitable Living Environment Through Improved/New Sustainability.
		Check if this outcome <u>    </u>		Check if this outcome <u>    </u>		Check if this outcome <u>  X  </u>
# of formal training sessions held by staff for local officials.						
# of persons attending training sessions.						
# of communities represented in training sessions.						
Activities and Indicators: Assist local governments with issues related to statutory compliance.		Enhance Suitable Living Environment Through Improved/New Accessibility.		Enhance Suitable Living Environment Through Improved/New Affordability.		Enhance Suitable Living Environment Through Improved/New Sustainability.
		Check if this outcome <u>    </u>		Check if this outcome <u>    </u>		Check if this outcome <u>  X  </u>
# of training materials prepared and published related to statutory compliance.						

## **OBJECTIVE: Provide a Suitable Living Environment**

**Goal 11:** *To help Colorado communities identify, prioritize and address their capital improvement needs.*

### **ANALYSIS**

There are more than 2,100 local jurisdictions, adding immeasurably to the complexity of government in Colorado. To provide the best possible service throughout the state, DLG has eight field offices, located around the state. Field staff are able to help local governments and community agencies define issues, evaluate options, identify solutions, access resources and achieve results.

Within DLG, the Local Government Services section includes four organizational or functional areas: Financial Assistance; Technical Assistance; Demography; and the Office of Smart Growth.

The Financial Assistance Section administers a wide variety of programs: the Community Development Block Grant (CDBG), Community Services Block Grant (CSBG); Community Food and Nutrition Grant (CFN); Energy and Mineral Impact Assistance Fund (EIAF); Search and Rescue Fund (SAR) Local Government Limited Gaming Impact (LGLGI), Conservation Trust Fund (CTF); and Waste Tire Disposal and Recycling Grants. The EIAF program, in addition to providing grants and loans for planning, construction and maintenance of public facilities, has provided funds for a variety of initiatives based on local needs. In 2005 alone, this program funded Rural Health, Road and Bridge and Wireless Interoperability Initiatives. These three initiatives alone were able to assist 93 entities throughout Colorado, awarding over \$58.2 million dollars, and contributing significantly to furthering achievement of this objective. DLG will continue to assist local governments in this manner as long as funds are available.

### **RESOURCES**

Funding for these project activities will be provided through the following programs and organization unit: Division of Local Government in cooperation with other State and Federal programs, "Small Cities" Community Development Block Grant Program, State Energy Impact Assistance Program, Limited Gaming Impact Fund, EDA, USDA Office of Rural Development, and other State and Federal programs too numerous to mention. Applications for assistance that are "complete" and "competitive" are given greater consideration than those that are not.

**Goal 11:** *To help Colorado communities identify, prioritize and address their capital improvement needs.*

<b>ACTIVITY NAME:</b> <u>Activity 1. Provide capital improvements planning assistance to communities.</u>						
<b>Activity Objective -- Choose one</b>	<b>X</b>	Suitable Living Environment		Decent Housing		Economic Opportunity
<b>Activity Outcome(s) – May choose primary and secondary</b>		<b>Affordability</b>		<b>X</b> <b>Accessibility</b>		<b>Sustainability</b>
<b>HUD FUNDING SOURCES:</b> CDBG, <b>OTHER FUNDING SOURCES:</b> Colorado Energy Impact Assistance Fund)						
<b>OUTCOME STATEMENTS</b>						
<b>Activities and Indicators:</b>	Enhance Suitable Living Environment Through Improved/New Accessibility.		Enhance Suitable Living Environment Through Improved/New Affordability.		Enhance Suitable Living Environment Through Improved/New Sustainability.	
	Check if this outcome <u>  X  </u>		Check if this outcome <u>      </u>		Check if this outcome <u>  </u>	
# of capital improvements planning sessions held by staff.						
# of planning grants funded.						
<b>Activities and Indicators:</b> Provide or arrange financing to communities to address health/safety hazards in water, sewer, fire, safety and other infrastructure systems.	Enhance Suitable Living Environment Through Improved/New Accessibility.		Enhance Suitable Living Environment Through Improved/New Affordability.		Enhance Suitable Living Environment Through Improved/New Sustainability.	
	Check if this outcome <u>  X  </u>		Check if this outcome <u>      </u>		Check if this outcome <u>  </u>	
# of communities receiving financing for water projects.						
# of communities receiving financing for sewer projects.						
# of communities receiving financing for fire/safety projects.						
# of communities receiving financing for health projects.						
# of communities receiving financing for other infrastructure projects.						
# of persons assisted						
# of low/moderate income persons assisted						
# of persons having new access to public facility or infrastructure as a result of the improvement.						
# of persons having improved access to service.						
# of persons with where service quality was improved.						
Amount of other funds leveraged						

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TABLE 2A

PRIORITY HOUSING NEEDS 2006-2007 (households)		Priority Need Level High, Medium, Low		Unmet Need	5-Year Goals	One Year Goals
Renter	Small Related	0-30%	High	26,175	750	170
		31-50%	High	25,763	375	55
		51-80%	Medium	18,653	210	32
	Large Related	0-30%	High	7,561	405	76
		31-50%	High	7,990	950	192
		51-80%	Medium	7,744	150	36
	Elderly	0-30%	High	15,323	25	10
		31-50%	High	9,110	275	60
		51-80%	Medium	4,869	100	10
	All Other	0-30%	High	36,768	375	55
		31-50%	High	29,013	2170	444
		51-80%	Medium	20,761	1000	210
Owner		0-30%	High	45,364	50	5
		31-50%	High	48,411	75	12
		51-80%	Medium	83,403	1625	325
Special Needs		0-80%	High	66,104	445	89
Total Goals					8980	1781
Total 215 Goals						
Total 215 Renter Goals						
Total 215 Owner Goals						

## **Basis for assigning the priority given to each category in Table 2A**

Used SOCDS CHAS data: Housing Problems Output for All Households x % with any housing problems for base numbers. Then,

0-30% AMI is a high priority in each category for Renters. Fewer units are available statewide to residents that make 30% or less of the Area Median Income. It is also more difficult for developers to build or acquire units for this population segment without subsidy. Examined last year's results in light of market conditions to revise numbers.

31-50% AMI is a high priority in each category for Renters because this population also experiences more difficulty in locating a unit that they can afford, but as severely as 0-30%. Examined last year's results in light of market conditions to revise goals.

51-80% AMI is rated as a medium priority in each category for Renters because this population experiences the less difficulty in locating a unit they can afford, since more units are available at appropriate rents. Examined last year's results in light of market conditions to revise goals.

For homeownership, 0-30% is a high priority because of the difficulties that this population encounters in being able to afford a loan to rehab their unit; however there may be a lack of readiness for this population segment to take on and maintain homeownership; 31-50% AMI is also a high priority since this population may be more able to take on loans for housing rehabilitation and maintain homeownership. The population at 51-80% AMI are of medium priority since they are generally the most financially capable and ready to take on the responsibilities of maintenance, rehabilitation and homeownership. Examined last year's results in light of market conditions to revise goals.

All special needs are listed as a high priority, since this population has very significant problems in locating an affordable unit. Examined last year's results in light of market conditions to revise goals.

TABLE 1B

<b>SPECIAL NEEDS SUBPOPULATIONS</b>	<b>Estimated Number</b>	<b>Priority Need Level</b> High, Medium, Low, No Such Need	<b>Unmet Need</b>	<b>Dollars to Address Unmet Need</b>	<b>Goal s*</b>
Elderly	41,700	Medium	2,500	\$175,000,000	50
Frail Elderly	12,305	High	2500	\$17,500,000	60
Severe Mental Illness	3,200	High	2500	\$17,500,000	25
Developmentally Disabled	1,259	Medium	1000	\$7,000,000	15
Physically Disabled	6,970	High	1500	\$10,500,000	39
Persons w/ Alcohol/Other Drug Addictions	570	Medium	200	\$1,300,000	10
Persons w/HIV/AIDS (TBRA + units)	75-375 (rural)	High	325	\$2,340,000	125
Other	0	Low			
<b>TOTAL</b>	66,379				

\* Goals in this chart are already included in Table 2A



TABLE 1A Homeless and Special Need Populations - Continuum of Care Homeless Population Chart

Part I: Homeless		Sheltered		Unsheltered	Total
		Emergency	Transitional		
Metro Denver	Homeless Individuals	1,558	671	2,820	5,049
	Homeless Families with Children	266	664	682	1,612
	Persons in Homeless Families with Children	848	1,991	2,269	5,108
Colorado Springs	Homeless Individuals	197	298	382	877
	Homeless Families with Children	21	73	23	117
	Persons in Homeless Families with Children	53	242	87	382
Balance of State	Homeless Individuals	399	104	2,785	3,288
	Homeless Families with Children	156	113	1,488	1,757
	Persons in Homeless Families with Children	623	452	5,951	7,026
<b>Total</b>	<b>Homeless Individuals + Persons in Homeless Families with Children</b>	<b>3,678</b>	<b>3,758</b>	<b>14,294</b>	<b>21,730</b>

### Continuum of Care Homeless Subpopulations Chart

Part II: Homeless Subpopulations		Sheltered	Unsheltered	Total
Metro Denver	Chronic Homelessness	304	187	491
	Seriously Mentally Ill	444	447	891
	Chronic Substance Abusers	492	500	992
	Veterans	447	343	790
	Persons with HIV/AIDS	40	44	84
	Victims of Domestic Violence	872	481	1,353
	Youth (Under 18 years of age)	23	16	39
	Total For Metro Denver			4,640
Colorado Springs	Chronic Homelessness	265	259	524
	Severely Mentally Ill	183	*	
	Chronic Substance Abusers	276	*	
	Veterans	395	*	
	Persons with HIV/AIDS	8	*	
	Victims of Domestic Violence	105	*	
	Youth (Under 18 years of age)	194	*	
	Total For Colorado Springs			1,685
Balance of State	Chronically Homeless	159	873	1,032
	Severely Mentally Ill	181	*	
	Chronic Substance Abuse	123	*	
	Veterans	358	*	
	Persons with HIV/AIDS	27	*	
	Victims of Domestic Violence	579	*	
	Youth (Under 18 years of age)	0	*	
	Total for Balance of State			2,300
<b>Total</b>	<b>Homeless in Subpopulations for the State</b>	<b>5,475</b>	<b>3,150</b>	<b>8,625</b>

\* Optional for  
Unsheltered

## APPENDIX A – RESOURCES

### Federal Housing Programs

<b><u>PROGRAM TITLE:</u></b>	Community Services Block Grant (CSBG)
<b>ADMINISTRATION AGENCY:</b>	Colorado Department of Local Affairs Local Government Services
<b>DESCRIPTION:</b>	This program is designed to provide a range of services and activities having a measurable and potentially major impact on the causes of poverty in the community or those areas of the community where poverty is a particularly acute problem.
<b>ELIGIBLE ACTIVITIES and NATIONAL OBJECTIVES:</b>	Eligible activities must meet the federal program objectives, the most pertinent are: 1) to secure and retain meaningful employment; 2) to maintain an adequate education; 3) to make better use of available income; 4) to obtain and maintain adequate housing and a suitable living environment; 5) to obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including health services, nutritious food, housing, and employment related assistance; 6) to remove obstacles and solve problems which block the achievement <u>The grants create opportunity to provide permanent rental and homeownership housing, increase self-sufficiency, and decrease homelessness in the state of Colorado</u> of self-sufficiency; and 7) to achieve greater participation in the affairs of the community.
<b>DISTRIBUTION:</b>	Funds are distributed through a formula allocation to all counties.
<b><u>PROGRAM TITLE:</u></b>	Emergency Shelter Grants (ESG)
<b>ADMINISTRATION AGENCY:</b>	Colorado Division of Housing
<b>DESCRIPTION:</b>	This program provides grants on a formula basis to states and local governments for renovation, major rehabilitation, conversion of buildings for use as emergency shelters for homeless persons, or to make structural changes to make a facility accessible to the physically disabled. Funds also can be used for certain operating costs, essential services, and homeless prevention activities, including financial assistance to families who have received eviction notices or notices of

The grants create opportunity to provide permanent rental and homeownership housing, increase self-sufficiency, and decrease homelessness in the state of Colorado termination of utility service. States can distribute ESG assistance directly to private nonprofit organizations, if local governments certify their approval of the project. Homeless day shelters and drop-in centers are also eligible for funding.

**APPLICATION PROCESS and  
SPECIAL REQUIREMENTS:**

Funds will be obligated through a competitive application when funds received by DOH from HUD increase substantially over the prior year. Otherwise DOH will give priority to its current subgrantees with established programs. Applications will be reviewed for extent and urgency of identified homeless needs, project impact on identified need, management capacity, and demonstrated local area support and coordination of supportive services. The state will give priority to applications from non-formula allocation areas.

The first \$100,000 of a state grant does not have to be matched. Beyond the first \$100,000, federal funds must be matched on a dollar-for-dollar basis. The match may include any donated material or building, leases, staff salaries, or volunteer services. The state or locality can use up to 60 percent of its ESG grant for both essential services and prevention. Essential services include such activities as job skills training, health care, substance abuse treatment, and education. Prevention activities include short-term rent subsidies, utility payments, security deposits, landlord/tenant mediation, and mortgage payments to prevent foreclosures.

When a grantee receives funds for only shelter operations and essential services, the building must be used as a shelter as long as federal assistance is received. The shelter site can be changed only if the assistance is for operating funds or essential services and the new site would continue to serve essentially the same population. If funds are used for rehabilitation, other than major rehabilitation or conversion, the building must be used as a shelter for at least three years. If the funds are used for major rehabilitation or conversion, the building must be used as a shelter for a minimum of ten years.

**PROGRAM TITLE:**

FNMA: Fannie Mae Community Lending Program

**ADMINISTRATION AGENCY:**

Federal National Mortgage Association (FNMA-Fannie Mae)

**DESCRIPTION:** Fannie Mae Community Lending products are flexible and designed to expand the availability of low down payment mortgages and address problems with qualifying incomes. The American Communities fund is a community development venture capital fund dedicated to making equity investments for affordable housing in neighborhoods that lack adequate access to traditional equity capital. The Housing Impact Fund is a three-year loan program that funds housing developments for underserved populations and are outside the corporation's standard project profile.

**PROGRAM TITLE:** FNMA: Fannie Mae House Colorado Plan

**ADMINISTRATION AGENCY:** Federal National Mortgage Association (FNMA-Fannie Mae)

**DESCRIPTION:** A \$15 million, five year investment in Colorado housing projects through: Rural and Resort Housing Plans, Community Revitalization, Multifamily Financing, Employer Assisted Housing Partnerships, Mortgage Revenue Bond Partnerships, Native American Lending, Outreach to the African American and Hispanic Communities, Improved Homebuyer Education, and nonprofit support.

**PROGRAM TITLE:** Federal Historic Investment Tax Credits

**ADMINISTRATION AGENCY:** Colorado State Historical Society

**ELIGIBLE ACTIVITIES and** Owners of buildings on the National Register are entitled to take

**MATCH REQUIREMENTS:** 20% investment tax credit on their federal income tax for certified rehabilitation expenses of residential and commercial income-producing property. Tax credit can be on both the hard and soft costs of rehabilitation either on a two-year rehabilitation plan or a 5-year phased plan. The tax credit is received in the year the project is put into service. In order to raise capital for the project, the tax credits may be sold to Limited Partner investors who would receive a share of project gains, losses and proceeds upon resale of the property.

**PROGRAM TITLE:** Federal Home Loan Bank Board Affordable Housing Program

**ADMINISTRATION AGENCY:** Federal Home Loan Bank

**DESCRIPTION:** This program is available through member institutions, mostly savings and loans, to encourage their participation in affordable housing lending programs.

**ELIGIBLE ACTIVITIES and OTHER INFORMATION:** Funds may be used to finance the purchase, construction or rehabilitation of rental and single family housing in which at least 20% of the units will be occupied and affordable for very low income households for term of loan. Priority is given for utilization of existing HUD/RTC or other government-owned properties and involvement of nonprofit organizations and/or housing authorities or other government entities.

**PROGRAM TITLE:** Rehabilitation Home Mortgage Insurance 203(K)

**ADMINISTRATION AGENCY:** FHA/U.S. Department of Housing and Urban Development

**DESCRIPTION:** A mortgage insurance program for long-term fixed or adjustable rate mortgages to finance both the acquisition and the rehabilitation of one to four-family residences (not condominiums or cooperatives). Interest rates, based on the market rate, are negotiable between borrower and lenders. Mortgages are amortized over 30 years.

**PROGRAM TITLE:** Section 221(d)(4)

**ADMINISTRATION AGENCY:** FHA/U.S. Department of Housing and Urban Development

**DESCRIPTION:** A mortgage insurance program for new construction and rehabilitation of projects for moderate income families with a minimum of five units. HUD-FHA insures mortgages made by HUD-FHA approved private lenders to private, profit-motivated corporations, trust, partnerships or individuals. Financing can be either market-rate or tax-exempt. Loans cannot exceed forty years and the interest rate is negotiated between the lender and borrower. The maximum insurable replacement cost of new construction or cost of rehabilitation.

**PROGRAM TITLE:** Section 221(d)(3)

**ADMINISTRATION AGENCY:** FHA/U.S. Department of Housing and Urban Development

**DESCRIPTION:** A mortgage insurance program for new construction and rehabilitation of projects for low and moderate income families with a minimum of five units. It is primarily for use by nonprofit borrowers. Otherwise it is the same program as the Section 221(d)(4), except that the maximum insurable

mortgage is 90%-100% of estimated replacement cost of new construction or rehabilitation.

**PROGRAM TITLE:** Home Ownership Loans Program (502 - Direct)

**ADMINISTRATION AGENCY:** USDA/Rural Development

**DESCRIPTION:** This program provides loans in rural areas to finance home and building sites. Loans may also be used to improve, repair or rehabilitate rural homes and related facilities, and provide adequate water and waste disposal. Rural areas are defined as open country, places with population under 10,000 and, under certain conditions, town and cities with population between 10,000 and 20,000. Loan terms up to 33 years (38 years for those with incomes below 60% of area median) and 30 years for manufactured housing units.

**PROGRAM TITLE:** Home Ownership Loans Program (502 – Guarantee)

**ADMINISTRATION AGENCY:** USDA/Rural Development

**DESCRIPTION:** This program provides loans guarantees in rural areas to approved lenders to finance home and building sites for homebuyers at 115% AMI or less.. Loans may also be used to improve, repair or rehabilitate rural homes and related facilities, and provide adequate water and waste disposal. Rural areas are defined as open country, places with population under 10,000 and, under certain conditions, town and cities with population between 10,000 and 20,000. Loan terms up to 30 year fixed rate with the interest rate established by the lender, but must be reasonable and customary.

**PROGRAM TITLE:** Rural Housing Preservation Grants (533)

**ADMINISTRATION AGENCY:** USDA/Rural Development

**DESCRIPTION:** This program enables sponsoring organizations to assist very low and low-income homeowners to repair or rehabilitate their dwellings. The grants are competitive and made available in areas where there is a concentration of need. HPG funds are combined with other programs or funds, and used as a loan, grant or subsidy for recipient households, based on a plan contained in the sponsor organization's application.

**PROGRAM TITLE:** Rural Housing Site Loans (523 and 524)

**ADMINISTRATION AGENCY:** USDA/Rural Development

**DESCRIPTION:** These programs make loans to nonprofit and public agencies to purchase and develop building sites, and to construct streets and utilities. 523 loans are for self-help housing sites, 524 loans are for other low and moderate-income family site developments. 524 sites may also be sold to public and nonprofit organizations using federal, state or local programs to house low and moderate-income families. All loans are repayable in two years.

**PROGRAM TITLE:** Rural Rental and Cooperative Housing Loans (515)

**ADMINISTRATION AGENCY:** USDA/Rural Development

**DESCRIPTION:** This program provides direct loans to finance rental or cooperatively owned housing designed for very low, low, and moderate income families, elderly, and handicapped. Funds may be used to construct new housing or to purchase and rehabilitate existing structures for rental purposes.

**PROGRAM TITLE:** Rural Rental Assistance Payments (521)

**ADMINISTRATION AGENCY:** USDA/Rural Development

**DESCRIPTION:** This program enables low-income families or individuals to reside in RD rural rental, cooperative or farm labor housing without paying over 30% of their income for rent. RD pays the difference between the tenant's contribution and the monthly rental rate, including utilities and services. The owner and RD enter into a contract in which RD commits payments on behalf of the tenants for a pre-designated number of units.

**PROGRAM TITLE:** Self-Help Technical Assistance Grants (523)

**ADMINISTRATION AGENCY:** USDA/Rural Development

**DESCRIPTION:** This program provides administrative funding to organizations sponsoring self-help housing development. Under self-help, a group of families jointly contribute labor to build their own homes, which are financed with Section 502 loans. Applicants must show that their organization has the ability to supervise a project or that they will receive assistance from a group having this ability. Contracts are normally for two years.

**PROGRAM TITLE:** Very Low Income Housing Repair Loans and Grants (504)



**ADMINISTRATION AGENCY:** USDA/Rural Development

**DESCRIPTION:** This program provides loans up to \$20,000 and grants up to \$7,500 which can be combined for a total of \$27,500 to very low income homeowners for repairs, improvements to modernize their dwelling or removal of health and/or safety hazards. Homeowners must have incomes below 50% of area median and be unable to obtain an affordable loan elsewhere. Dwelling must need the safety hazard repairs. Grants to homeowners 62 or older may be used only for repair of safety and health hazards.

**PROGRAM TITLE:** Very Low Income Housing Repair Loans and Grants (538)

**ADMINISTRATION AGENCY:** USDA/Rural Development

**DESCRIPTION:** This program provides for development of multifamily housing facilities in rural areas (20,000 population or less). Loan guarantees are provided for construction, acquisition and rehabilitation of multifamily housing developments. Term of the guarantee may be up to 40 years.

**PROGRAM TITLE:** Farm Labor Housing Loans and Grants (514/516)

**ADMINISTRATION AGENCY:** USDA/Rural Development

**DESCRIPTION:** This program provides loans/grants to build, buy, improve or repair housing for farm laborers, including persons whose income is earned in agriculture. Funds can be used to a site or a leasehold interest in a site; to construct housing; to pay fees; to purchase durable household furnishing; and to pay for construction loan interest. Eligible for these loans/grants are farmers, family farm corporations, Indian tribes, nonprofit, organizations, public agencies and associations of farm workers. Loan terms are 33 years at 1% interest. Grant terms are up to 80% of development cost. The remaining a Section 514 loan.

**PROGRAM TITLE:** HOME Investment Partnership Program

**ADMINISTRATION AGENCY:** Colorado Division of Housing

**ELIGIBLE ACTIVITIES and** Acquisition, Rehabilitation, New Construction, Tenant Based

**MATCH REQUIREMENTS:** Rental Assistance (All activities require a 25% non-federal match.)

**APPLICATION PROCESS and SPECIAL REQUIREMENTS:** Ninety percent of funds invested in tenant based rental assistance. Rental units must benefit families with incomes 60% or below area median income. One hundred percent of funds invested in homebuyer programs must benefit families whose incomes are equal to or less than 80% of area median income. Funds are obligated through a competitive application process on a continuing basis with applications reviewed monthly by the State Housing Board. There is a fifteen percent (15%) set-aside for Community Development Housing Organization activities which include activities that are eligible generally under the HOME Program -- acquisition, construction and rehabilitation

where the CHDO is the owner, developer or sponsor -- as well as project specific technical assistance, site control loans, and project-specific seed money loans.

**PROGRAM TITLE:** "Small Cities" Community Development Block Grant

**ADMINISTRATION AGENCY:** Colorado Department of Local Affairs. Housing set-a-side administered by the Division of Housing.

**ELIGIBLE ACTIVITIES:** Acquisition, Rehabilitation, New Construction Public Services and Facilities, Administration Costs

**APPLICATION PROCESS** Funds will be obligated through a competitive application process, continuing basis with review of applications monthly by the State Housing Board.

**SPECIAL REQUIREMENTS:** Applications will be reviewed for management capacity, local cash and non-financial support, project feasibility, project impact on need, and benefit to very low and low-income persons.

**PROGRAM TITLE:** Energy Saving Partnership Program (E\$P)

**ADMINISTRATION AGENCY:** Governor's Office of Energy Conservation

**ELIGIBLE ACTIVITIES:** E\$P combines Federal and utility funds for Low Income weatherization. The program serves households whose income is at or below 150% of federally defined poverty level. Services include combustion safety testing, furnace efficiency adjustments, air leakage testing and reduction, insulating attic, walls, under floor/perimeter, and energy consumption education

**APPLICATION PROCESS** Weatherization Services are provided on a statewide basis through eight public and private nonprofit agencies. Funds are allocated annually, based upon poverty population and climate data for each service area.

**PROGRAM TITLE:** Supportive Housing Program

**ADMINISTRATION AGENCY:** Office of Special Needs Assistance Programs, U.S. Department of Housing and Urban Development

**ELIGIBLE APPLICANTS:** States, local governments, other governmental entities, Native American Tribes, private nonprofit organizations, and community mental health associations that are public

nonprofit organizations are eligible to compete for grant funds through a national selection process.

**DESCRIPTION:** The program is designed to promote the development of supportive housing and services, including innovative approaches to assist homeless persons in the transition from homelessness and to enable them to live as independently as possible.

**ELIGIBLE ACTIVITIES:** Funds may be used for the acquisition, rehabilitation, new construction, leasing, and operating costs of structures for use as supportive housing or services; costs of supportive services in supportive housing; or the cost of supportive services provided to homeless persons who do not reside in supportive housing.

**PROGRAM TITLE:** Section 8 Certificates and Vouchers

**ADMINISTRATION AGENCY:** Colorado Division of Housing

**DESCRIPTION:** The program provides tenant-based subsidies for rents paid by low and very low-income households. Tenant payments are based upon income and the Section 8 rental subsidy, paid either directly to unit owners or through public housing authorities, cover the difference between that amount and the market rent for the unit.

**ELIGIBLE ACTIVITIES:** Funds may be used for tenant-based rental assistance.

**PROGRAM TITLE:** Section 8 Certificates and Vouchers

**ADMINISTRATION AGENCY:** Office of Supportive Housing and Homeless Programs

**DESCRIPTION:** The program provides tenant-based subsidies for rents paid by low and very low-income households specifically with disabilities. Tenant payments are based upon income and the Section 8 rental subsidy, paid either directly to unit owners or through public housing authorities, cover the difference between that amount and the market rent for the unit.

**ELIGIBLE ACTIVITIES:** Funds may be used for tenant-based rental assistance.

**PROGRAM TITLE:** Section 8 Moderate Rehabilitation Assistance for Single Room Occupancy (SRO) Dwellings

**ADMINISTRATION AGENCY:** Office of Community Planning and Development, U.S. Department of Housing and Urban Development

**DESCRIPTION:** The SRO program provides funding for HUD's Section 8 Moderate Rehabilitation Assistance Program to be used to rehabilitate SRO units for occupancy by homeless persons. SRO assistance also can be used to rehabilitate efficiency units that contain kitchen or bathroom facilities if the project owner agrees to pay the additional costs of rehabilitation and operation of the units.

**PROGRAM TITLE:** Shelter Plus Care Programs - Rental Assistance/Section 8 (SRO) Rehabilitation and Section 202 Rental Assistance

**ADMINISTRATION AGENCY:** Office of Community Planning and Development, U.S. Department of Housing and Urban Development

**ELIGIBLE APPLICANTS:** States, units of general local government, PHAs, and Indian tribes may apply for assistance under any or all of the four components.

**DESCRIPTION:** This program is designed to link federally provided rental assistance with locally supplied supportive services for hard-to-serve homeless persons with disabilities and their families. Rental assistance is provided through four components: 1) Tenant-Based Rental Assistance (TBRA); 2) Sponsor-Based Rental Assistance (SRA); 3) Project-Based Rental Assistance (PRA); and, 4) an extension of the Moderate Rehabilitation for Single-Room Occupancy (SRO) for Homeless Individuals Program.

**PROGRAM TITLE:** Housing Opportunities for Persons with AIDS (HOPWA)

**ADMINISTRATION AGENCY:** Office of Community Planning, US Department of Housing and Urban Development

**DESCRIPTION:** This program provides States and localities with the resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with acquired immunodeficiency syndrome (AIDS) or related diseases and their families. The program authorizes two types of grants for a range of housing assistance and supportive services for low income persons with AIDS or related diseases and their families.

**PROGRAM TITLE:** Supportive Housing for Persons with Disabilities (Section 811)

**DESCRIPTION  
and ELIGIBLE ACTIVITIES**

published periodically in the Federal Register. Repayment of the advance is not required as long as the housing remains available for occupancy by very low-income persons with disabilities for at least 40 years. The program will also fund project rental assistance to cover the difference between the HUD-approved operating cost per unit and 30% of the resident's adjusted income. Development methods that are eligible are new construction, rehabilitation, acquisition for group homes and acquisition from the Resolution Trust Corporation for group home and independent living facilities.

**ADMINISTRATION AGENCY:** Field or Regional Office. U.S. Department of Housing Urban Development

**PROGRAM TITLE:** Supportive Housing for Elderly Persons (Section 202)

**DESCRIPTION** This program will fund capital advances bearing no interest based on development cost limits published periodically in the Federal Register. Repayment of the advance is not required as long as the housing remains available for occupancy by very low-income elderly persons 62 years of age or older for at least 40 years. The program will also fund project rental assistance to cover the difference between the HUD-approved operating cost per unit and the amount the resident pays. Development methods that are eligible are new construction, rehabilitation, acquisition for group homes and acquisition from the Resolution Trust Corporation for group home and independent living facilities.

**ADMINISTRATION AGENCY:** U.S. Department of Housing and Urban Development

**PROGRAM TITLE:** Low Income Housing Tax Credits (LIHTC)

**ADMINISTRATION AGENCY:** Colorado Housing and Finance Authority

**DESCRIPTION:** This program allows individuals and corporations that invest in qualifying low income housing projects to receive federal tax credits that directly reduce their tax liabilities for ten years assuming that the project continues to comply with program regulations. Proceeds from these investments are used to construct the low-income housing project.

**APPLICATION PROCESS:** Applications for tax credit reservations are accepted on business days during the 1<sup>st</sup> through the 15<sup>th</sup> of every month, beginning February 1, 2004 and ending November 15, 2004.

**SPECIAL REQUIREMENTS:** Applicants must compete on criteria established in the Colorado and Finance Authority's Qualified Allocation Plan. Preference is given to projects providing housing to the lowest income households for the longest period of time.

**PROGRAM TITLE:** Taxable Loan Program

**ADMINISTRATION AGENCY:** Colorado Housing and Finance Authority

**DESCRIPTION:** Construction and permanent financing for new construction or substantial rehabilitation projects that also are assisted with Low Income Housing Tax Credits. The borrower's general partner may be either a nonprofit or for profit entity.

**APPLICATION PROCESS:** After staff underwriting, proposed loans in amounts less than \$7.5 million are presented weekly to the Colorado Housing and Financing Authority Board for approval.

### **State Housing Programs**

**PROGRAM TITLE:** Colorado Historic Preservation Income Tax Credits

**ADMINISTRATION AGENCY:** Colorado State Historical Society

**ELIGIBLE ACTIVITIES and MATCH REQUIREMENTS:** The owners of buildings which are over 50 years old and historically designated are entitled to take tax credits of 20% of the rehabilitation costs up to a maximum of \$50,000. The credit directly reduces the income taxes owed to the state and can be carried forward five years. The tax credit is first received the year the project is put into service. These tax credits can also be sold to limited partner investors in order to raise capital for the rehabilitation project.

**PROGRAM TITLE:** Colorado Division of Housing Grant/Loan Program

**ADMINISTRATION AGENCY:** Colorado Division of Housing

**ELIGIBLE ACTIVITIES:** Acquisition, Rehabilitation, and New Construction

**APPLICATION PROCESS and SPECIAL REQUIREMENTS:** Funds will be obligated through a competitive application process on a continuous basis with applications reviewed monthly by the State Housing Board. \$1 per \$1 match is required.

Applications will be reviewed for management capacity, project impact on need, project feasibility, and benefit to very low and low-income persons.

**PROGRAM TITLE:** Colorado Division of Housing Home Investment Partnership Program

**ADMINISTRATION AGENCY:** Colorado Division of Housing

**DESCRIPTION:** This program provides short-term, one to seven year, secured loans to assist housing authorities, public entities and private nonprofit with the development of housing for low and moderate-income .

**ELIGIBLE ACTIVITIES and MATCH REQUIREMENTS:** The maximum income of occupants can be no more than 100% of the locations area median income. Loans can be made for land or property acquisition, development fees, or new construction or rehabilitation. Interest rates range from 1% to prime rate plus 2. There must be a guaranteed "take-out" in place.

**APPLICATION PROCESS & SPECIAL REQUIREMENTS:** Funds will be obligated through a competitive application process on a continuous basis with applications reviewed monthly by the State Housing Board. The loan must be fully collateralized.

**PROGRAM TITLE:** Colorado Division of Housing/Fannie Mae Construction Lending Program

**ADMINISTRATION AGENCY:** Colorado Division of Housing

**DESCRIPTION:** This program provides short-term, one to seven year, secured loans to assist housing authorities, public entities and private nonprofit with the development of housing for low and moderate income persons. Fannie Mae purchases participation in DOH construction loans for the development of affordable housing.

**ELIGIBLE ACTIVITIES and MATCH REQUIREMENTS:** The maximum income of occupants can be no more than 100% of the location's area median income. Loans can be made for land or property acquisition, development fees, or new construction or rehabilitation. Interest rates. There must be a guaranteed "take-out" in place. Below-market interest rates are set by Fannie Mae. No fees are charged for the Fannie Mae portion of the loans.



**APPLICATION PROCESS and SPECIAL REQUIREMENTS:** Funds will be obligated through a competitive application process on a continuous basis with applications reviewed monthly by the State Housing Board. The loan must be fully collateralized.

**PROGRAM TITLE:** Mortgage Revenue Bond Program

**ADMINISTRATION AGENCY:** Colorado Housing and Finance Authority

**ELIGIBLE ACTIVITIES** Acquisition, Acquisition/Rehabilitation Mortgage

**DESCRIPTION :** Revenue Bonds are issued throughout the year by the Colorado Housing and Finance Authority. The proceeds are used to purchase below market rate first mortgage loans from participating lenders. The home buyers must be first time buyers. Other program eligibility requirements include income and purchase price limits.

**PROGRAM TITLE:** Mortgage Credit Certificate Program

**ADMINISTRATION AGENCY:** Colorado Housing and Finance Authority

**ELIGIBLE ACTIVITIES:** Acquisition, Acquisition/Rehabilitation

**DESCRIPTION:** A Mortgage Credit Certificate allows a low or moderate-income homebuyer to take a federal income tax credit for a percentage of the mortgage interest paid during the year. The certificates are committed to homebuyers on a first come, first served reservation system. The homebuyers must be first time buyers. Other program eligibility requirements include income and purchase price limits.

**PROGRAM TITLE:** HomeStart Program

**ADMINISTRATION AGENCY:** Colorado Housing and Finance Authority

**ELIGIBLE ACTIVITIES:** Acquisition, Acquisition/Rehabilitation

**DESCRIPTION:** These funds are used to fund minimum down payment and closing costs for first time home buyers who utilize mortgage revenue bond financing to fund minimum down payment and closing costs. The funds are committed to homebuyers on a first come, first served reservation system. Applicants must meet the standard eligibility requirements for the mortgage revenue bond program and have a family income not in excess of 80% of state median income.

**PROGRAM TITLE:** HomeStart Plus Program

**ADMINISTRATION AGENCY:** Colorado Housing and Finance Authority

**ELIGIBLE ACTIVITIES:** Acquisition

**DESCRIPTION:** The HomeStart Plus program provides first mortgages to first time buyers at competitive interest rates and includes 2% cash assistance for down payment and closing costs. Income limits are higher than CHFA's tax-exempt programs and there are no purchase price limits.

**PROGRAM TITLE:** Housing Fund

**ADMINISTRATION AGENCY:** Colorado Housing and Finance Authority

**APPLICATION PROCESS:** After staff underwriting, proposed loans in amounts less than \$7.5 million are presented weekly to the Colorado Housing and Financing Authority Board for approval.

**PROGRAM TITLE:** Down Payment Assistance Program

**ADMINISTRATION AGENCY:** Colorado Housing and Finance Agency

**ELIGIBLE ACTIVITIES:** Acquisition, Acquisition/Rehabilitation

**DESCRIPTION:** These funds are used to fund minimum down payment and closing costs for homebuyers who utilize mortgage revenue bond financing to fund minimum down payment and closing costs. The funds are committed to homebuyers on a first come, first served reservation system. Applicants must meet the standard eligibility requirements for the mortgage revenue bond program and have a family income not in excess of 80% of state median income.

**PROGRAM TITLE:** Taxable Bond Program

**ADMINISTRATION AGENCY:** Colorado Housing and Finance Authority

**ELIGIBLE ACTIVITIES:** Acquisition

**DESCRIPTION:** The Taxable Bond program provides first mortgages at competitive interest rates and includes 2% cash assistance for down payment and closing costs. Income limits are

higher than CHFA's tax-exempt programs and there are no purchase price limits.

**APPLICATION PROCESS:** After staff underwriting, proposed loans in amounts less than \$7.5 million are presented weekly to the Colorado Housing and Financing Authority Board for approval.

**PROGRAM TITLE:** 501(c)(3) Bond Program

**ADMINISTRATION AGENCY:** Colorado Housing and Finance Authority

**DESCRIPTION:** This program funds construction and permanent financing for new construction, acquisition and/or rehabilitation of very low, low and moderate income rental housing for family, elderly, and special needs households. Applicants must be 501(c)(3) tax-exempt organizations or local public housing authorities. The maximum loan level is 95% of cost or value whichever is less.

**APPLICATION PROCESS:** After staff underwriting, proposed loans in amounts less than \$7.5 million are presented weekly to the Colorado Housing and Financing Authority Board for approval.

**PROGRAM TITLE:** Housing Opportunity Fund

**ADMINISTRATION AGENCY:** Colorado Housing and Finance Authority

**DESCRIPTION:** This fund provides flexible gap financing for low income rental housing and home ownership projects. Preference is given to proposals that make housing affordable to people with extremely low incomes.

**APPLICATION PROCESS:** After staff underwriting, proposed loans in amounts less than \$7.5 million are presented weekly to the Colorado Housing and Financing Authority Board for approval.

**PROGRAM TITLE:** Private Activity Bonds

**ADMINISTRATION AGENCY:** Colorado Housing and Finance Authority, Colorado Department of Local Affairs and Local Government Issuers

**DESCRIPTION:** This program involves using the proceeds of tax-exempt bond issues to fund construction and permanent loans for for-profit entities to construct or acquire/rehabilitate rental housing for low and mixed income households, to provide mortgage credit certificates or mortgage revenue bonds. It is generally required that loans be insured or guaranteed by a third party such as FHA.

**APPLICATION PROCESS:** Applications are taken by local municipal or county housing or finance offices, by the Colorado Housing and Finance Authority, or the Department of Local Affairs. Before a project may proceed, official action must be taken by the local elected governing body to allocate bond issuing authority for the loan. After staff underwriting, proposed loans in amounts less than \$7.5 million are presented weekly to the Colorado Housing and Financing Authority Board for approval.

**PROGRAM TITLE:** Taxable Loan Program

**ADMINISTRATION AGENCY:** Colorado Housing and Finance Authority

**ELIGIBLE ACTIVITIES:** Construction and/or Permanent Financing

**DESCRIPTION:** Taxable financing is available to be combined with the 90% competitive Low Income Tax Credit for new construction or acquisition/rehabilitation of rental housing for families or elderly. CHFA will make loans of \$500,000 up to \$7.5 million insured through the CHFA/FHA Risk Sharing program. These loans are financed either through the sale of the bonds or loan participations and provide either construction and/or permanent financing.

**APPLICATION PROCESS:** After staff underwriting, proposed loans in amounts less than \$7.5 million are presented weekly to the Colorado Housing and Financing Authority Board for approval.

**PROGRAM TITLE:** State Low Income Housing Tax Credit

**ADMINISTRATION AGENCY:** Colorado Housing Finance Authority

**DESCRIPTION:** Allows individuals and corporations who invest in qualifying low-income rental housing projects to receive state tax credits that directly reduce their tax liability for ten years (assuming the project continues to comply with program regulations for the 15 year term). Proceeds from these investments are used to construct the low-income housing project. Applications for tax credit reservations are accepted the 1<sup>st</sup> through the 15<sup>th</sup> of every month, beginning February 1, 2004 and ending November 15, 2004, applicants must compete on criteria established in the Colorado Housing Finance Authority's (CHFAs) allocation plan. Preference is given to projects providing housing to the lowest income households for the longest period of time. CHFA's board approves a preliminary reservation and the final allocation is distributed once the project is available for occupancy.

## Local Government Programs

**PROGRAM TITLE:** Boulder Community Housing Assistance Program

**ADMINISTRATION AGENCY:** City of Boulder

**DESCRIPTION:** To provide local affordable housing developers with additional financial resources, Boulder created the CHAP in 1992. The CHAP generates between \$900,000 and \$1,000,000 a year and is funded through property taxes and the Housing and Development Excise Tax. The property tax is based on a .8 mill levy out of 9.981 mills levied for the city. These taxes are generated from new commercial/industrial and residential development. Residential properties provide the majority of the funding (56 percent) while commercial/industrial properties provide 44 percent. CHAP funds are granted to developers for acquisition, rehabilitation and new construction of affordable housing. Often CHAP funds are used in tandem with the City's HOME or CDBG funds. CHAP funds are targeted to families between 31 and 60 percent AMI.

**PROGRAM TITLE:** City of Aspen Affordable Housing/Daycare Fund

**ADMINISTRATION AGENCY:** Aspen/Pitkin Housing Office

**DESCRIPTION:** This fund was established to support development activities including: land acquisition, construction, redevelopment and renovation, operations, and day care. The fund is capitalized by a one percent real estate transfer tax and a 0.45 percent sales tax. In 1999, the real estate transfer tax and sales tax contributed \$3.9 million to the fund. All funds are administered by the Aspen/Pitkin Housing Office as part of an intergovernmental agreement between Aspen and Pitkin County.

**PROGRAM TITLE:** Longmont Affordable Housing Fund

**ADMINISTRATION AGENCY:** City of Longmont

**DESCRIPTION:** When a developer is requesting an annexation, the city requires 10 percent of the total by housing type and by phase to be made affordable through rents to households at or below 60 percent of AMI or through purchase price to households at or below 80 percent of AMI. All annexations can elect to make a payment “in lieu of” actual development.

**PROGRAM TITLE:** Skyline Housing Trust Fund

**ADMINISTRATION AGENCY:** City of Denver

**DESCRIPTION:** Denver’s Skyline Housing Trust Fund was originally capitalized from the proceeds of land sales from an urban renewal district in Denver (the 16th Street Mall). Distribution of the fund is limited eligible CDBG activities. The current focus of the program is to provide funds for homeownership activities. Funding recipients include the Colorado Housing Assistance Corporation (CHAC) for down payment assistance and closing cost loans to low-income persons.

**PROGRAM TITLE:** Denver Neighborhood Housing Fund

**ADMINISTRATION AGENCY:** Denver Housing and Neighborhood Services Office

**DESCRIPTION:** Provides 5% interest rate pre-development loans, bridge loans and property acquisition and construction loans to non-profit developers. Loans must be used to develop home ownership or rental projects targeting low and moderate income families.

**PROGRAM TITLE:** San Miguel County Deed-Restricted Sales Assessment

**ADMINISTRATION AGENCY:** San Miguel County Regional Housing Authority

**DESCRIPTION:** This program generates funding through a one percent transfer tax on the sale of county, deed-restricted properties. These revenues are deposited with the San Miguel County Regional Housing Authority for the acquisition of deed-restricted properties. The Housing Authority will acquire units in cases where owners of -restricted homes cannot find a qualified buyer, or in cases where the unit is in foreclosure.

**PROGRAM TITLE:** Garfield County Affordable Housing Program

**ADMINISTRATION AGENCY:** Garfield County Housing Authority

**DESCRIPTION:** Requires all new developments to make 10% of units affordable to families with incomes equal or less than 80% of county median income. The program is voluntary at this time.

**For Profit**  
No funds available in this category

**Non-Profit**  
No funds available in this category

## Federal Community Development Programs

<b><u>PROGRAM TITLE:</u></b>	"Small Cities" Community Development Block Grant (CDBG)
<b>ADMINISTRATION AGENCY:</b>	Colorado Department of Local Affairs. Public Facilities set aside administered by the Office of Field Services.
<b>DESCRIPTION:</b>	Projects must primarily benefit very low and low-income persons or eliminate slum/blight conditions or urgent need.
<b>ELIGIBLE ACTIVITIES:</b>	Acquisition, Rehabilitation, Reconstruction, New Construction, Public Services, Administrative Costs
<b>APPLICATION PROCESS and SPECIAL REQUIREMENTS:</b>	Funds will be obligated through a competitive application process with on-going review of applications. Applications will be reviewed for management capacity, local cash and non-financial support, project feasibility, project impact on need, and benefit to very low and low-income persons. Small Cities CDBG applicants are limited to Colorado's non-entitlement municipalities or counties; districts and private systems are eligible sub-recipients.

<b><u>PROGRAM TITLE:</u></b>	Rural Economic Community Development (RECD)
<b>ADMINISTRATION AGENCY:</b>	U.S. Department of Agriculture, Rural Development
<b>DESCRIPTION:</b>	To develop community facilities for public use in rural areas and towns. Funds may be used to construct, enlarge, or improve community facilities for health care, public safety and public services.
<b>ELIGIBLE ACTIVITIES:</b>	Water, Wastewater, & Stormwater Loan & Grant; Solid Waste Management; Distance Learning & Tele-medic Loan & Grant; and Community Facility Programs.
<b>APPLICATION PROCESS and SPECIAL REQUIREMENTS:</b>	Application received on a continuing basis. Eligible applicants are counties, municipalities, special purpose districts, Indian Tribes and non-profit corporations. For water, wastewater and stormwater projects, applicant population may not be more than 10,000; for other community facilities, applicant population of not more than 20,000; and must be unable to obtain funding from other sources at reasonable rates and terms; have legal authority to borrow and repay loans; and be financially sound and able to manage the facility effectively.

<b><u>PROGRAM TITLE:</u></b>	Water Pollution Control Revolving Fund (WPCRF)
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**ADMINISTRATION AGENCY:** Colorado Water Resources and Power Development Authority

**DESCRIPTION:** Loans for wastewater and non-point source pollution projects.

**APPLICATION PROCESS and SPECIAL REQUIREMENTS:** Ongoing application process. Eligible applicants are counties, municipalities or special districts and the applicant must be on the WPCRF's eligibility list. A 201 facility plan or adequate feasible study for small borrowers is required.

**PROGRAM TITLE:** EDA Water and Wastewater Program

**ADMINISTRATION AGENCY:** U.S. Economic Development Administration

**DESCRIPTION:** Provides matching funding for economic development related projects such as public works, public works impact projects, business development assistance, technical assistance, state and local economic development planning and economic adjustment. The funding must be earmarked to economically distressed areas and tied to permanent private sector jobs and investments.

**APPLICATION PROCESS and SPECIAL REQUIREMENTS:** Applicant must be located in an EDA eligible area. It is a grant only program with an ongoing application process. The percentage of the project costs reimbursed by EDA depends on the degree of economic distress of the applicant.

**PROGRAM TITLE:** High Poverty Grants

**ADMINISTRATION AGENCY:** U.S. Department of Education

**DESCRIPTION:** Support development and implementation of school to work opportunities. Program is targeted to urban and rural areas of high poverty.

**APPLICATION PROCESS** Fifteen to twenty-five awards per year on an annual basis.

**PROGRAM TITLE:** School-to-Work Program

**ADMINISTRATION AGENCY:** U.S. Department of Education

**DESCRIPTION:** Helping cities/communities that already have the school-to-work program to establish a national framework that allows states to create programs connecting high school students who are not college bound with the working world.

**APPLICATION PROCESS and SPECIAL REQUIREMENTS:** Fifteen to twenty-five awards per year on an annual basis.

**PROGRAM TITLE:** The Distance Learning and Medical Link Grant Program

**ADMINISTRATION AGENCY:** National Rural Electrification Administration

**DESCRIPTION:** Funds are provided for the development and application procedures to advance telecommunication technology for rural Americans. Eligible applicants are rural schools, universities, hospitals and/or consortiums that emphasize rural sites.

**APPLICATION PROCESS:** Annual application review.

**PROGRAM TITLE:** Federal Transit Administration - Mass Transit

**ADMINISTRATION AGENCY:** Colorado Department of Transportation

**DESCRIPTION:** Provides grants for research, demonstration projects, studies outlining the management, operations, capital requirements and economic feasibility of transit services; managerial, technical and professional training in the public

transportation field; preparation of engineering and architectural surveys and transit facilities; and evaluations of previously funded transit projects.

**APPLICATION PROCESS:** Eligible applicants are counties, cities, and other local governments as well as Indian Tribes and grants are made annually.

## **State Community Development Programs**

**PROGRAM TITLE:** Energy and Mineral Impact Assistance Fund (IMPACT)

**ADMINISTRATION AGENCY:** The Department of Local Affairs (DOLA)

**DESCRIPTION:** Provides grants and loans for planning, construction and maintenance of public facilities and the provision of public services.

**APPLICATION PROCESS and SPECIAL REQUIREMENTS:** Funds will be obligated through a competitive application process with review of applications semi-annually by the State. Applications will be reviewed for management capacity, local cash and non-financial support, project feasibility, and project impact. Eligible recipients are municipalities, counties, school districts, special districts and other political subdivisions socially or economically impacted by the development, processing or energy conversion of minerals and mineral fuels.

**PROGRAM TITLE:** Gaming Impact Assistance Fund (Gaming)

**ADMINISTRATION AGENCY:** The Department of Local Affairs (DOLA)

**DESCRIPTION:** Provides grants to finance planning, construction and maintenance of public facilities and for the provision of public services related to the impact of gaming.

**APPLICATION PROCESS and SPECIAL REQUIREMENTS:** Grants may only be provided to counties that are geographically contiguous to the gaming counties and can demonstrate a gaming impact. Funds are obligated through a competitive application process on a yearly basis by the State.

**PROGRAM TITLE:** Colorado Small Water Resources Projects Program

**ADMINISTRATION AGENCY:** Colorado Water Resources and Power Development Authority

**DESCRIPTION:** The program provides funding related to water supply, storage, transmission, treatment and distribution.

**APPLICATION PROCESS and SPECIAL REQUIREMENTS:** Applicants are received on a continuous basis with funding requests of at least \$300,000. Eligible applicants are municipalities, counties, special districts and political subdivisions of the state with a population greater than 1,000 and/or 600 taps. The program provides funding in the form of loans. Raw water storage and diversion projects require Colorado Water Conservation Board review.

**PROGRAM TITLE:** Drinking Water Revolving Fund

**ADMINISTRATION AGENCY:** Colorado Water Resources and Power Development Authority

**DESCRIPTION:** The program provides funds related to drinking water quality improvement projects. This is a loan only program that provides "direct" loans of up to \$500,000 and "leveraged" loans for amounts from \$500,000 to \$15,000,000. Direct loans carry an interest rate of 4.5% and leveraged loan interest rates are 80% of market rate.

**APPLICATION PROCESS and SPECIAL REQUIREMENTS:** Ongoing application process with raw water, storage and diversion projects requiring CWCB review. Eligible applicants are municipalities, counties, special districts and political subdivisions of the state. Loan amount is up to \$500,000 maximum.

**PROGRAM TITLE:** Colorado Water Conservation Board Construction Fund

**ADMINISTRATION AGENCY:** State Department of Natural Resources, CWCB

**DESCRIPTION:** Program provides construction loans for raw water projects and studies that may include well fields, metering devices, transmission and storage of raw water.

**APPLICATION PROCESS and SPECIAL REQUIREMENTS:** Eligible applicants are municipalities, counties and special districts of the state. Private applicants must conform to C.R.S. 37-60-121. There is an ongoing application cycle that contains an October deadline for legislative approval. There is no limit on the amount of funds for which an applicant can apply. Interest rates are from zero to 7%, rate that is established by the CWCB Board with repayment terms up to 40 years. Loans to governmental

agencies must be reviewed by the Colorado Water Resources and Power Development Authority.

**PROGRAM TITLE:** Domestic Wastewater Treatment Grant Program

**ADMINISTRATION AGENCY:** Colorado Department of Public Health and Environment, Water Quality Control Division

**APPLICATION PROCESS and SPECIAL REQUIREMENTS:** Program provides funding up to 80% for small system wastewater projects in the form of grants that must have at least 20% of local or other resources. Eligible applicants are governmental entities under 5,000 population. There is an ongoing application cycle.

**PROGRAM TITLE:** Colorado Drinking Water Grant Program

**ADMINISTRATION AGENCY:** Colorado Department of Public Health and Environment, Water Quality Control Division

**APPLICATION PROCESS and SPECIAL REQUIREMENTS:** Program provides funding up to 80% for small system wastewater projects in the form of grants that must have at least 20% of local or other resources. Eligible applicants are governmental entities and non-profit organization under 5,000 population. There is an ongoing application cycle.

**PROGRAM TITLE:** Historical Preservation and Restoration

**ADMINISTRATION AGENCY:** Colorado Historical Society

**DESCRIPTION:** Program grants funds for historic preservation and restoration of sites in imminent danger and threat and general historic preservation and restoration.

**APPLICATION PROCESS and SPECIAL REQUIREMENTS:** Funds for projects in imminent danger may be awarded as the need arises. Other projects are on a competitive grant cycle. By legislation, over 50% of the funds must be granted to public entities such as municipalities, counties and universities with the remainder being available to non-governmental entities and individuals.

**PROGRAM TITLE:** Community Recycling Assistance Program

**ADMINISTRATION AGENCY:** Office of Energy Management and Conservation

**DESCRIPTION:** Program provides funding to assist communities wishing to develop recycling programs. Funds can be used for education; composting; source reduction; and anything else relating to recycling.

**APPLICATION PROCESS and SPECIAL REQUIREMENTS:** Annual applications with a March deadline. Eligible applicants are local governments.

**PROGRAM TITLE:** Great Outdoors Colorado

**ADMINISTRATION AGENCY:** Great Outdoors Colorado

**DESCRIPTION:** Program provides funding to assist in developing and/or managing open space, parks and environmental education facilities.

**APPLICATION PROCESS and SPECIAL REQUIREMENTS:** Ongoing grant application process with eligible applicants being local governments eligible to receive Conservation Trust Fund dollars.

**PROGRAM TITLE:** Discretionary Aviation Grants Program

**ADMINISTRATION AGENCY:** Colorado Aeronautical Board

**DESCRIPTION:** Grants for maintenance, safety related projects. Also used to provide leverage for Federal grants, underground storage tank removal and pavement maintenance.

**APPLICATION PROCESS and SPECIAL REQUIREMENTS:** Annual application process with the highest grant being in the range of \$50,000. Eligible applicants are public use airports.

**PROGRAM TITLE:** E911 Emergency Warning System Grant Program

**ADMINISTRATION AGENCY:** The Colorado Trust

**DESCRIPTION:** Interest free loan program to purchase and install E911 (enhanced) emergency telephone systems.

**APPLICATION PROCESS and SPECIAL REQUIREMENTS:** Annual application process with eligible applicants being counties. Loans are made with a stipulation that they are paid back within three years, one payment per year.

**PROGRAM TITLE:** Youth Crime Prevention and Intervention Program (CPI)

**ADMINISTRATION AGENCY:** Colorado Department of Public Health and Environment

**DESCRIPTION:** A grant program designed to financially assist prevention and/or intervention community-based projects that reduce incidents of youth violence in Colorado.

**APPLICATION PROCESS and SPECIAL REQUIREMENTS:** Annual application process. Eligible applicants are school districts, municipalities, state agencies and non-profit corporations.

**PROGRAM TITLE:** Emergency Medical Services Account Grant

**ADMINISTRATION AGENCY:** Colorado Department of Public Health and Environment

**DESCRIPTION:** Goal of the program is to establish a coordinated statewide Emergency Medical Services system. Grants are available for emergency vehicles, communications equipment and systems, medical/extrication equipment and training and regional programs to provide technical assistance.

**APPLICATION PROCESS and SPECIAL REQUIREMENTS:** Annual application process. Eligible applicants are state agencies, municipalities, hospitals, fire departments, non-profits or any other entity that is an EMS provider within the state.

## **Federal Economic Development Programs**

**PROGRAM TITLE:** "Small Cities" Community Development Block Grant (CDBG)

**ADMINISTRATION AGENCY:** Colorado Department of Local Affairs. Economic Development set-aside is administered by the Colorado Office of Economic Development and International Trade.

**DESCRIPTION:** Funding available for proposals involving the provision of financing for businesses.

**ELIGIBLE ACTIVITIES:** Financing through local or regional revolving funds for loans to private for-profit or non-profit businesses, including micro-enterprise loans; also provision of infrastructure for specific businesses: also grants for planning and feasibility studies related to specific economic development projects.

**APPLICATION PROCESS and SPECIAL REQUIREMENTS:** Applications are received and considered on a continuous basis. The state's non-entitlement counties and municipalities are eligible to apply for funds that provide support to businesses generally willing to commit to creating

or retaining jobs filled primarily by low to moderate income persons. Additionally, eligible communities may apply for grants to construct public infrastructure needed by businesses willing to create or retain jobs filled with low and moderate-income people. Applications will be reviewed for management capacity, local cash and non-financial support, project feasibility, project impact on need, and benefit to very low and low-income persons.

**PROGRAM TITLE:** Economic Development Projects

**ADMINISTRATION AGENCY:** U.S. Economic Development Administration

**DESCRIPTION:** Provides matching funding for economic development related projects such as public works, public works impact projects, business development assistance, technical assistance, state and local economic development planning and economic adjustment.

**APPLICATION PROCESS and SPECIAL REQUIREMENTS:** Ongoing application process with state agencies, counties, municipalities, local governments and non-profits eligible to apply.

**PROGRAM TITLE:** Rural Economic Development Loan and Grant Program

**ADMINISTRATION AGENCY:** National Rural Electrification Administration

**DESCRIPTION:** Zero-interest loans to promote rural economic development and job creation projects within communities.

**APPLICATION PROCESS and SPECIAL REQUIREMENTS:** Monthly application process Only REA telephone and electric cooperatives are eligible to apply.



## State Economic Development Programs

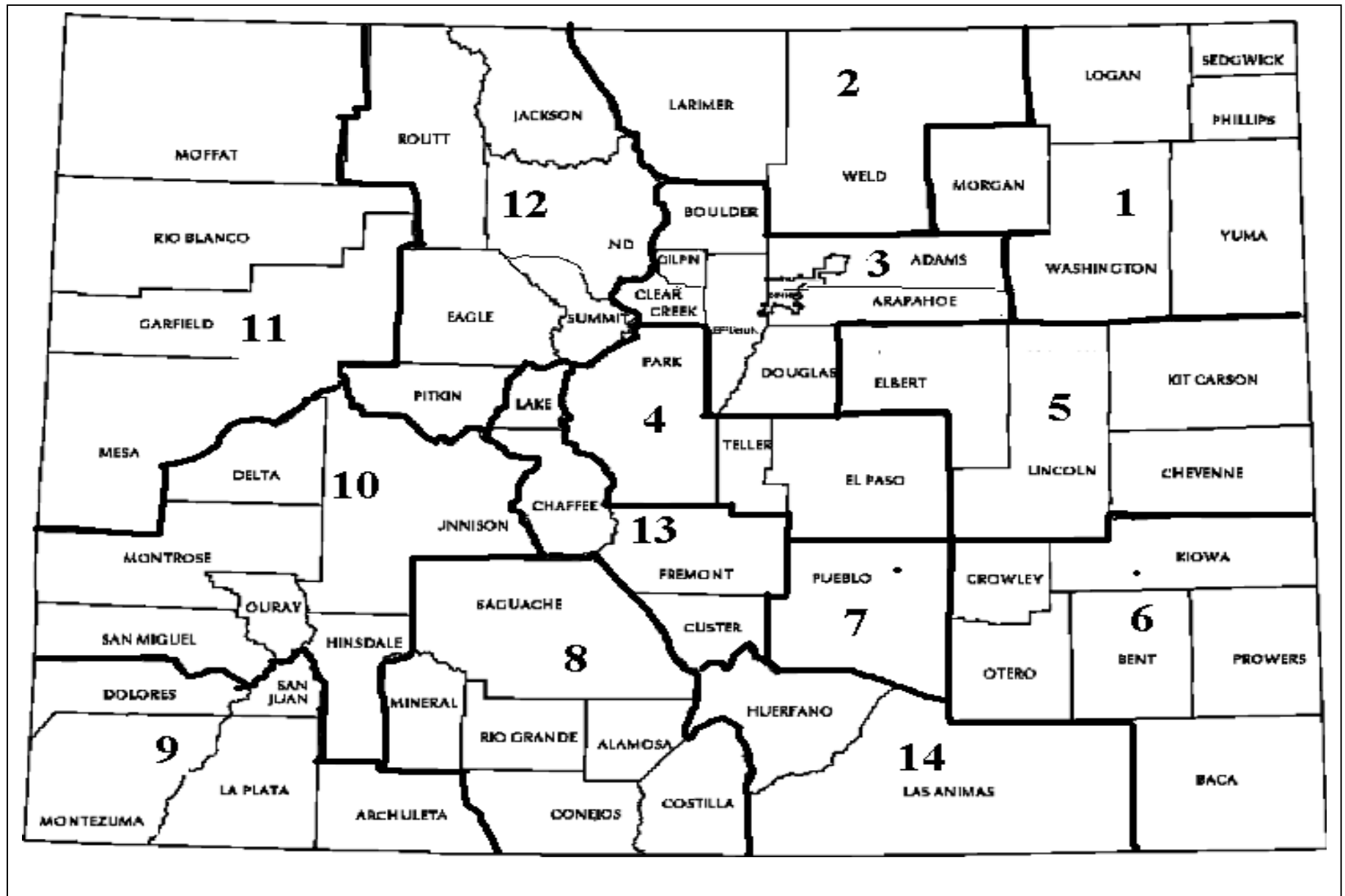
<b><u>PROGRAM TITLE:</u></b>	Agricultural Processing Feasibility
<b>ADMINISTRATION AGENCY:</b>	Colorado Department of Agriculture
<b>DESCRIPTION:</b>	Grants to fund studies on feasibility of processing agricultural products.
<b>APPLICATION PROCESS and SPECIAL REQUIREMENTS:</b>	Annual application process. Only local governments are eligible to apply.
<b><u>PROGRAM TITLE:</u></b>	ACCESS, Rural Development Loan Programs, Business and Industry Program 1, RENEW Colorado, and Nonprofit Real Estate loan program.
<b>ADMINISTRATION AGENCY:</b>	Colorado Housing and Finance Authority
<b>DESCRIPTION:</b>	Direct loans provided by CHFA to small businesses and nonprofit organizations.
<b>ELIGIBLE ACTIVITIES:</b>	A variety of eligible financing activities, including acquisition of machinery and equipment, owner-occupied real estate, and in some cases, refinancing of existing debt.
<b>APPLICATION PROCESS and SPECIAL REQUIREMENTS:</b>	Applications are received on a continuing basis. Due to the variety of loan programs available, contact CHFA's Business Finance Department for specific requirements.
<b><u>PROGRAM TITLE:</u></b>	Quality Investment Capital (QIC), Quality Agricultural Loans (QAL), and Business and Industry Program 2
<b>ADMINISTRATION AGENCY:</b>	Colorado Housing and Finance Authority
<b>DESCRIPTION:</b>	Secondary Market Loan Program
<b>ELIGIBLE ACTIVITIES:</b>	A variety of eligible financing activities, including acquisition of machinery and equipment, and non-investment real estate. Contact CHFA's Business Finance Department for applicable guidelines.
<b>APPLICATION PROCESS and SPECIAL REQUIREMENTS:</b>	QIC, QAL and CHFA B and I2 loans are approved by sponsoring bank and guaranteed by a federal agency. Contact CHFA's Business Finance Department for a list of program requirements and participating banks.

<b><u>PROGRAM TITLE:</u></b>	Industrial Development Revenue Bonds
<b>ADMINISTRATION AGENCY:</b>	Colorado Housing and Finance Authority
<b>DESCRIPTION:</b>	These special project loans are made for projects that do not meet the requirements of other CHFA Business Finance programs and are funded through the issuance of tax-exempt manufacturing revenue bonds.
<b>ELIGIBLE ACTIVITIES:</b>	Colorado for-profit businesses involved in manufacturing may use these funds for acquisition of real estate or manufacturing equipment.
<b>APPLICATION PROCESS SPECIAL REQUIREMENTS:</b>	Contact CHFA's Business Finance Department for applicable guidelines. The program is subject to available funds and a competitive review process may apply.

### **Private Economic Development Programs**

<b><u>PROGRAM TITLE:</u></b>	Rural Economic Vitality Initiative (REVive)
<b>ADMINISTRATION AGENCY:</b>	Qwest/Community Reinvestment Fund (CRF)
<b>DESCRIPTION:</b>	Grants to increase the capacity of micro-capital loan funds in rural communities served by Qwest.
<b>APPLICATION PROCESS and SPECIAL REQUIREMENTS:</b>	Annual awards are available to any non-profit governmental entity within the state who attends Qwest Micro Lending Seminar.

## Appendix C - Map of Colorado



# CPMP State Grantee Certifications

**Many elements of this document may be completed electronically, however a signature must be manually applied and the document must be submitted in paper form to the Field Office.**

**This certification is applicable. See signature on the last page.**

## STATE CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

**Affirmatively Further Fair Housing** -- The State will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

**Anti-displacement and Relocation Plan** -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

**Drug Free Workplace** -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about --
  - a. The dangers of drug abuse in the workplace;
  - b. The grantee's policy of maintaining a drug-free workplace;
  - c. Any available drug counseling, rehabilitation, and employee assistance programs; and
  - d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will --
  - a. Abide by the terms of the statement; and
  - b. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted --
  - a. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
  - b. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

**Anti-Lobbying** -- To the best of the state's knowledge and belief:

### Jurisdiction

## CPMP State Grantee Certifications 2 Version 1.2

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or

cooperative agreement;

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

**Authority of State** -- The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

**Consistency with plan** -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

**Section 3** -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

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Title: Acting Executive Director

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02/10/06

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CPMP State Grantee Certifications 3 Version 1.2

**This certification is applicable. See signature on the last page.**

### **Specific CDBG Certifications**

The State certifies that:

**Citizen Participation** -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR §91.115 and each unit of general local government that receives assistance from the State is or will be following a detailed citizen participation plan that satisfies the requirements of 24 CFR §570.486.

**Consultation with Local Governments** -- It has or will comply with the following:

1. It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;
2. It engages in or will engage in planning for community development activities;
3. It provides or will provide technical assistance to units of local government in connection with community development programs; and
4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

**Local Needs Identification** -- It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

**Community Development Plan** -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objectives of Title I of the Housing and Community Development Act of 1974, as amended. (See 24 CFR 570.2 and 24 CFR part 570)

**Use of Funds** -- It has complied with the following criteria:

1. Maximum Feasible Priority - With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development

needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);

2. Overall Benefit - The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) 2005, 2006, 2007, (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;

3. Special Assessments - The state will require units of general local government that receive CDBG funds to certify to the following:

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed

#### **Jurisdiction**

#### **CPMP State Grantee Certifications 4 Version 1.2**

by a source other than CDBG funds.

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

**Excessive Force --** It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

**Compliance With Anti-discrimination laws --** The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

**Compliance with Laws --** It will comply with applicable laws.

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#### **Jurisdiction**

#### **CPMP State Grantee Certifications 5 Version 1.2**

**This certification is applicable. See signature on the last page.**

#### **Specific HOME Certifications**

The State certifies that:

**Tenant Based Rental Assistance --** If it intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the State's consolidated plan.

**Eligible Activities and Costs --** It is using and will use HOME funds for eligible activities and costs, as described in

24 CFR § 92.205 through §92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in §92.214.

**Appropriate Financial Assistance** -- Before committing any funds to a project, the State or its recipients will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

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**This certification is applicable. See signature on the last page.**

#### **HOPWA Certifications**

The State HOPWA grantee certifies that:

**Activities** -- Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

**Building** -- Any building or structure assisted under the program shall be operated for the purpose specified in the plan:

1. For at least 10 years in the case of any building or structure purchased, leased, rehabilitated, renovated, or converted with HOPWA assistance,
2. For at least 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.

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**This certification is applicable. See signature on the last page.**

#### **ESG Certifications**

The Emergency Shelter Grantee certifies that:

1. The requirements of 24 CFR 576.21(a)(4) which provide that the funding of homeless prevention activities for families that have received eviction notices or notices of termination of utility services meet the following standards: (A) that the inability of the family to make the required payments must be the result of a sudden

reduction in income; (B) that the assistance must be necessary to avoid eviction of the family or termination of the services to the family; (C) that there must be a reasonable prospect that the family will be able to resume payments within a reasonable period of time; and (D) that the assistance must not supplant funding for preexisting homeless prevention activities from any other source.

2. The requirements of 24 *CFR* 576.25(b)(2) concerning the submission by nonprofit organizations applying for funding of a certification of approval of the proposed project(s) from the unit of local government in which the proposed project is located.

3. The requirements of 24 *CFR* 576.53 concerning the continued use of buildings for which Emergency Shelter Grant funds are used for rehabilitation or conversion of buildings for use as emergency shelters for the homeless; or when funds are used solely for operating costs or essential services, concerning the population to be served.

4. The building standards requirement of 24 *CFR* 576.55.

5. The requirements of 24 *CFR* 576.56, concerning assistance to the homeless.

6. The requirements of 24 *CFR* 576.57, other appropriate provisions of 24 *CFR* Part 576, and other applicable Federal law concerning nondiscrimination and equal opportunity.

7. The requirements of 24 *CFR* 576.59(b) concerning the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

8. The requirements of 24 *CFR* 576.59 concerning minimizing the displacement of persons as a result of a project assisted with these funds.

9. (9) The requirements of 24 *CFR* 576.56(a) and 576.65(b) that grantees develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the Emergency Shelter Grants Program and that the address or location of any family violence shelter project assisted with ESG funds will not be made public, except with written authorization of the person or persons responsible for the operation of the shelter.

10. The requirement of that recipients involve, to the maximum extent practicable, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under the ESG program, and in providing services for occupants of these facilities as provided by 24 *CFR* 576.56(b)(2).

11. The new requirement of the McKinney Act (42 *USC* 11362) to develop and implement, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons. I further understand that State and local governments are primarily responsible for the care of these individuals, and that ESG funds are not to be used to assist such persons in place of State and local resources.

I certify that the State will comply with the requirements of 24 *CFR* Part 24 concerning the Drug Free Workplace Act of 1988.

#### Jurisdiction

#### CPMP State Grantee Certifications 8 Version 1.2

I certify that the State will comply with the provisions of, and regulations and procedures applicable under 24 *CFR* 576.57(e) with respect to the environmental review responsibilities under the National Environmental Policy Act of 1969 and related authorities as specified in 24 *CFR* Part 58 as applicable to activities of nonprofit organizations funded directly by the State. The State also agrees to assume the Department's responsibility and authority as set forth in 24 *CFR* 576.57(e) for acting on the environmental certifications and requests for the release of funds submitted to the State by local government recipients.

I certify that the State will ensure the provision of the matching funds required by 24 *CFR* 576.51 and 42 *USC* 11375, including a description of the sources and amounts of such supplemental funds, as provided by the State, units of general local government or nonprofit organizations.

I further certify that the submission of a complete and approved Consolidated Plan with its relevant certifications, which is treated as the application for an Emergency Shelter Grant, is authorized under State law, and that the State possesses legal authority to fund the carrying out of grant activities by units of general local government and nonprofit organizations in accordance with applicable laws and regulations of the Department of Housing and Urban Development.

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**This certification is applicable. See signature on the last page.****APPENDIX TO CERTIFICATIONS**

## Instructions Concerning Lobbying and Drug-Free Workplace Requirements

**Lobbying Certification**

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

**Drug-Free Workplace Certification**

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.
  2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
  3. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
  4. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).
  5. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph three).
  6. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant: Place of Performance (Street address, city, county, state, zip code)
- Check if there are workplaces on file that are not identified here. The certification with regard to the drug-free workplace is required by 24 CFR part 21.

**Place Name Street City County State Zip**

STATE OF COLORADO ALL COUNTIES CO ALL

7. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules: "Controlled substance" means a controlled substance in Schedules I through V of the Controlled

Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15); "Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes; "Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance; "Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including:

- i. All "direct charge" employees;
- ii. all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and

**Jurisdiction****CPMP State Grantee Certifications 10 Version 1.2**

- iii. temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

Note that by signing these certifications, certain documents must be completed, in use, and on file for verification.

These documents include:

1. Analysis of Impediments to Fair Housing
2. Citizen Participation Plan
  2. Anti-displacement and Relocation Plan
  - 3.

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